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ABSTRACT

Salaries of faculty members and administrators at the University of California and California State University are examined. Economic conditions nationally and in California are reviewed with specific focus on California's continuing revenue and budgetary situation. Attention is also directed to competition from both university and industrial sectors for faculty in high-demand disciplines; the salaries paid to professionals in other fields; the cost of fringe benefits in the four-year segments' comparison institutions; medical faculty salaries; and projected salaries at the the University of California and California State University needed to achieve parity with comparison institutions. Appended materials include: the text of a California legislative resolution regarding academic salaries; a list of comparison institutions; information on the current methodology and alternative methodologies for reporting faculty salaries and fringe benefits; data on 1983-1984 California State University salaries and cost of fringe benefits; data on 1982-1983 California medical school faculty; report on University of California medical school clinical compensation plans and salaries; and administrator position descriptions. (SW)

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FINAL ANNUAL REPORT ON FACULTY AND ADMINISTRATIVE SALARIES IN CALIFORNIA PUBLIC HIGHER EDUCATION

1983-84

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CALIFORNIA POSTSECONDARY EDUCATION COMMISSION
1020 Twelfth Street, Sacramento, California 95814

Commission Report 83-21
Adopted April 18, 1983

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INTRODUCTION

Annually, in accordance with Senate Concurrent Resolution No. 51 of the 1965 General Legislative Session (reproduced in Appendix A on page 71), the University of California and the California State University submit to the Commission data on faculty salaries and the cost of fringe benefits for their respective segments and for a group of comparison institutions listed in Appendix B on page 73-75. On the basis of these data, Commission staff develops estimates of the percentage changes in salaries and the cost of fringe benefits required to attain parity with the comparison groups in the forthcoming fiscal year. The methodology by which the segments collect these data and the Commission staff analyzes them (Appendix C, pp. 77-87) has been designed by the Commission in consultation with the two segments, the Department of Finance, and the Office of the Legislative Analyst. From the data, Commission staff prepares two reports--a preliminary report in the fall as an aid to the Department of Finance in preparing the Governor's Budget, and a final report in the spring for use by the legislative fiscal committees during budget hearings. Both reports are transmitted to the Governor, the Legislature, and appropriate officials.

In addition, since 1979, the Commission has included in its spring report data on faculty salaries in the California Community Colleges. It developed this information as a result of a recommendation by the Legislative Analyst in his Analysis of the Budget Bill, 1979-80, which directed the Commission to "include community college salaries and benefits in its annual report on faculty salaries." Unfortunately, because of a major fire at the Chancellor's Office, it will not be possible to present these data in the current report. The Chancellor's Office indicates that it will have the data available by May 15, and an analysis of their report will be presented in June.

This final report for 1983-84 contains seven chapters. Included are discussions of: (1) faculty salaries in relation to economic trends; (2) comparisons between faculty salaries and those of other professional groups; (3) projected salaries at the University and State University for parity with comparison institutions; (4) projected costs of fringe benefits; (5) medical faculty salaries; (6) administrators' salaries; and (7) the Commission's findings and conclusions for the coming budget year.

HISTORY OF THE SALARY REPORTS

The impetus for the faculty salary reports came from the Master Plan Survey Team in 1960, which recommended that:

> 3. Greatly increased salaries and expanded fringe benefits, such as health and group life insurance, leaves, and travel funds to attend professional meetings, housing, parking and moving expenses, be provided for faculty members in order to make college and university teaching attractive as compared with business and industry.

. . . .

8. Because of the continual change in faculty demand and supply, the coordinating agency annually collect pertinent data from all segments of higher education in the state and thereby make possible the testing of the assumptions underlying this report (Master Plan Survey Team, 1960, p. 12).

For four years thereafter, the Legislature continually sought information regarding faculty compensation, information which came primarily from the Legislative Analyst in his Analysis of the Budget Bill and from the Coordinating Council for Higher Education in its annual reports to the Governor and the Legislature on the level of support for public higher education. While undoubtedly helpful to the process of determining faculty compensation levels, these reports were considered to be insufficient, especially by the Assembly, which consequently requested the Legislative Analyst to prepare a specific report on the subject (House Resolution No. 250, 1964 First Extraordinary Session; reproduced in Appendix D, pp. 89-90).

Early in the 1965 General Session, the Legislative Analyst presented his report and recommended that the process of developing data for use by the Legislature and the Governor in determining faculty compensation be formalized. This recommendation was embodied in Senate Concurrent Resolution No. 51 (Appendix A), which specifically directed the Coordinating Council to prepare annual reports in cooperation with the University of California and the California State Colleges.

Since that time, the Coordinating Council and more recently the Commission have submitted reports to the Governor and the Legislature. Prior to the 1973-74 budgetary cycle, only one report was submitted. Since that time, the Commission has compiled two--a preliminary report which is normally transmitted in December, and a final report in April or May. The first is intended principally to assist the Department of Finance in developing the Governor's budget, while the second is used by the legislative fiscal committees during budget hearings. Each of them compares faculty salaries and the cost of fringe benefits in California's four-year public segments with those of other institutions (both within and outside of California) for the purpose of maintaining a competitive position.

EXPANDING SCOPE OF THE REPORTS

Over the years, the Commission's faculty salary reports have become more comprehensive. Where they originally provided only comparison institution data, they have been expanded to include summaries of economic conditions; comparisons with other professional workers; discussions of supplemental income and business and industrial competition for talent; and analyses of Community College faculty salaries, medical faculty salaries, administrators' salaries, and collective bargaining.

The greatest expansion of the salary reports has been in the economic area, and the chapter on "Faculty Salaries and Economic Conditions" has been a principal feature since the 1978-79 budgetary cycle. The original reason for including a summary on the economy stemmed from the decision by the State University Board of Trustees to abandon the comparison approach in the development of its salary requests. Annual changes in the Consumer Price Index (CPI) were running at double-digit levels at that time, and faculty salaries across the nation were clearly not keeping pace with inflationary increases. (Between 1977 and 1981, for example, the American Association of University Professors [AAUP] noted in its annual report on the economic status of the profession that faculty lost purchasing power in comparison to the cost of living.) In the State University comparison institutions, average increases in faculty salaries were consistently lower than CPI increases, and the Trustees undoubtedly felt that they could serve their faculties better by basing their salary requests on CPI changes rather than comparison institution data. Without doubt, this view prevailed among faculty organizations as well, and the combination of viewpoints led the State University to abandon the comparison approach.

In 1981, in its salary request for the 1981-82 academic year, the Regents of the University of California also abandoned the comparison institution approach to salary requests, and for the same reason as the State University. The comparison data for that year indicated a need for only a 2.7 percent increase at the same time that the CPI was predicted to rise by about 9 percent nationally and over 10 percent in California. Understandably, University leaders felt that the faculty would do better with a request based on losses in real income.

The following year, however, inflation was predicted to increase by about 8 percent while the comparison methodology produced a parity lag of 9.0 percent. The Regents accordingly based their request for 1982-83 not only on the anticipated rate of change in inflation, but also on housing costs and the probability that the comparison institution projections were understated. As this year's report will note, however, the change in the CPI was very low (revised projections call for a 1982-83 rate of change of only 4.1 percent), and the comparison institution projections were actually overstated by 0.4 percentage points. For the current year (1983-84), the Regents' request is based primarily on comparison institution data, although the University continues to include commentary on inflation and housing costs.

Throughout this period of changing segmental justifications for faculty salary increases, the Commission--as well as the Governor and the Legislature--has maintained that comparison data are valuable and should continue to be the principal basis on which salary range adjustments are approved. As recent experience has demonstrated, economic conditions can change rapidly, and it is, therefore, essential that some consistent basis for salary appropriations be adhered to. The most consistent basis yet discovered is to compare California institutions to similar universities across the country, and while general economic and price increase data are provided in the interests of informational balance, the comparison approach will continue to represent the Commission's primary purpose in publishing these annual reports. In this way, the Commission believes that the Governor, the Legislature, and other affected parties will be served best.

CHAPTER ONE

FACULTY SALARIES AND ECONOMIC CONDITIONS

In its most recent annual report on faculty compensation, the American Association of University Professors (AAUP) observed that "this year, for the first time in almost a decade, the overall average level of real faculty salaries failed to decline; in fact, it increased slightly but by less than one-half percentage point. This surprising outcome results not so much from nominal increases in faculty salaries but rather from a dramatic drop in the inflation rate" (1982, p. 3).

It is certainly true that the inflation rate, as measured by either the Consumer Price Index (CPI) or any of the various price deflators*, has decreased substantially over the past three years, as Tables and Figures 1 through 4 on pages 6-9 indicate.

For the 1981-82 fiscal year, the CPI rose only 8.7 percent, compared to 11.5 the previous year. With national faculty salaries rising 9.0 percent in 1981-82, the marginal increase in real income was realized, as the AAUP reported. In the same year, the PCE deflator rose 7.4 percent, compared to 9.4 in 1980-81.

Although final figures for 1982-83 will not be available until midsummer, it seems clear that inflation has been further reduced, currently to a virtual standstill since the index values for the CPI were lower in January of 1983 than in the previous September. With the recent decision by the Organization of Petroleum Exporting Countries (OPEC) to lower oil prices from $34 to $29 per barrel, and with continuing unemployment and a sluggish recovery from the worst recession since the second world war, it seems likely that inflation will be a very minor concern in the coming 12 months. For the current year (1982-83), the CPI will probably increase by only 4.1 percent with the PCE moving up by only 4.8 percent.

This does not, however, mean that the economic difficulties that confront the country in general and California in particular are over. Even with inflation much lower, and with the prime interest rate at 10.5 percent (down from its all-time high of 21.5 percent in January 1981), the economy remains severely depressed with the Gross National Product showing no growth in real dollars since the fourth quarter of 1980, and the unemployment rate at over 10 percent nationally and over 11 percent in California. Industrial production hit a high point in 1979 which has not since been equaled. All of these indicators are shown in Table 5 on page 10.

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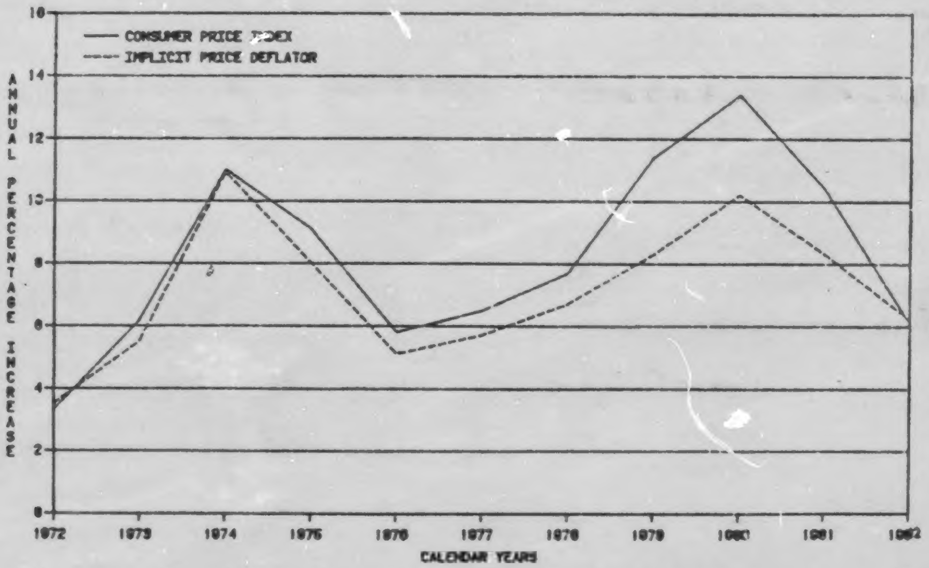
*Price deflators are devices designed to measure the changes in prices in "real terms" or "constant dollars." They are similar in nature to the Consumer Price Index but use slightly different bases of measurement. Deflators are used for "Personal Consumption Expenditures," "Gross National Product," "Gross Private Domestic Investment," and many other components of national wealth and production. In both this and previous salary reports, the deflator for Personal Consumption Expenditures (PCE) has been used since it is consumer oriented, as is the CPI.

TABLE 1 Calendar Year Changes in the the Consumer Price Index and the Implicit Price Deflator for Personal Consumption Expenditures, All Urban Consumers, 1972 to 1982

Year	United States Consumer Price Index	Implicit Price Deflator for Personal Consumption Expenditures
1972	3.3%	3.5%
1973	6.2	5.5
1974	11.0	10.9
1975	9.1	8.0
1976	5.8	5.1
1977	6.5	5.7
1978	7.7	6.7
1979	11.4	8.3
1980	13.4	10.2
1981	10.4	8.3
1982	6.1	6.2

FIGURE 1 Calendar Year Changes in the Consumer Price Index and the Implicit Price Deflator for Personal Consumption Expenditures, All Urban Consumer, 1972 to 1982

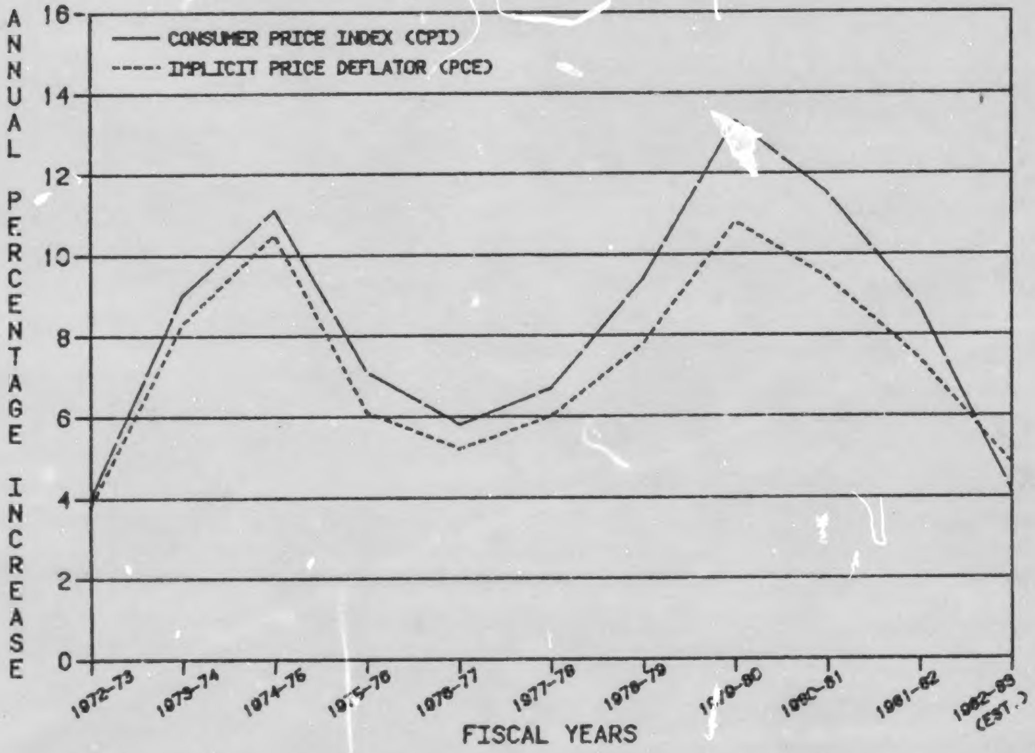


Source: Analytical Studies, California Postsecondary Education Commission.

TABLE 2 Fiscal Year Changes in the Consumer Price Index and the Implicit Price Deflator for Personal Consumption Expenditures, 1972-73 to 1982-83

Year	United States Consumer Price Index	Implicit Price Deflator for Personal Consumption Expenditures
1972-73	4.0%	3.8%
1973-74	9.0	8.3
1974-75	11.1	10.5
1975-76	7.1	6.1
1976-77	5.8	5.2
1977-78	6.7	6.0
1978-79	9.4	7.8
1979-80	13.3	10.8
1980-81	11.5	9.4
1981-82	8.7	7.4
1982-83 (est.)	(4.1)	(4.8)

FIGURE 2 Fiscal Year Changes in the Consumer Price Index and the Implicit Price Deflator for Personal Consumption Expenditures, 1972-73 to 1982-83

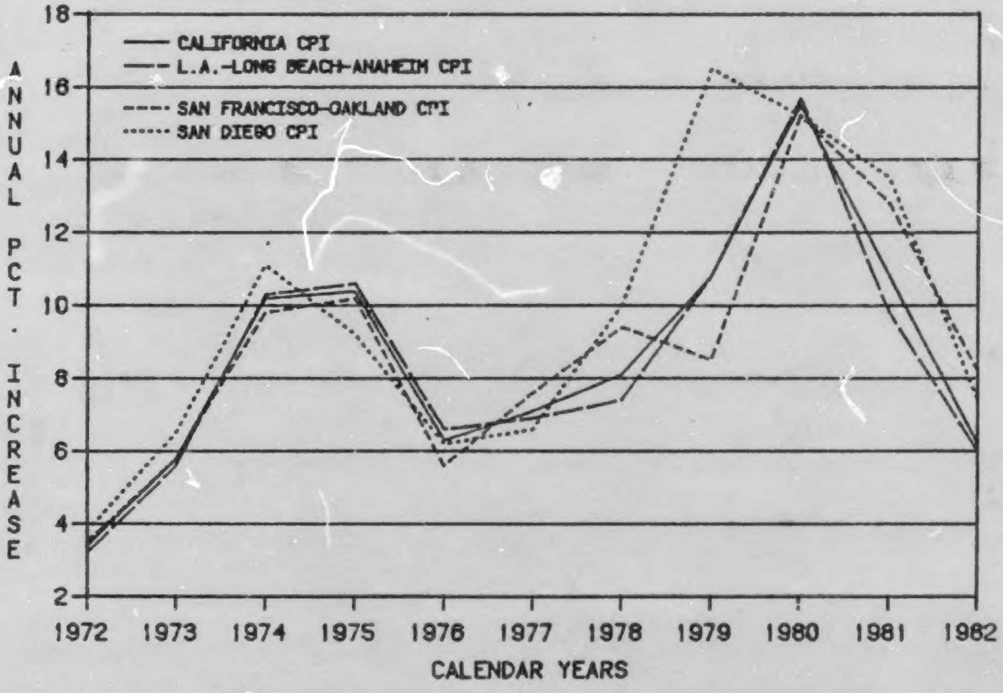


Source: Analytical Studies, California Postsecondary Education Commission.

TABLE 3 Calendar Year Changes in the California Consumer Price Index (CPI), 1972 to 1982

Year	California CPI	Los Angeles-Long Beach-Anaheim CPI	San Francisco-Oakland CPI	San Diego CPI
1972	3.4%	3.2%	3.5%	3.8%
1973	5.8	5.6	5.8	6.5
1974	10.2	10.3	9.8	11.1
1975	10.4	10.6	10.2	9.2
1976	6.3	6.6	5.6	6.2
1977	7.1	6.9	7.6	6.6
1978	8.1	7.4	9.4	10.0
1979	10.8	10.8	8.5	16.5
1980	15.5	15.7	15.2	15.2
1981	10.8	9.8	12.8	13.5
1982	6.2	6.0	8.2	7.4

FIGURE 3 Calendar Year Changes in the California Consumer Price Index (CPI), 1972 to 1982

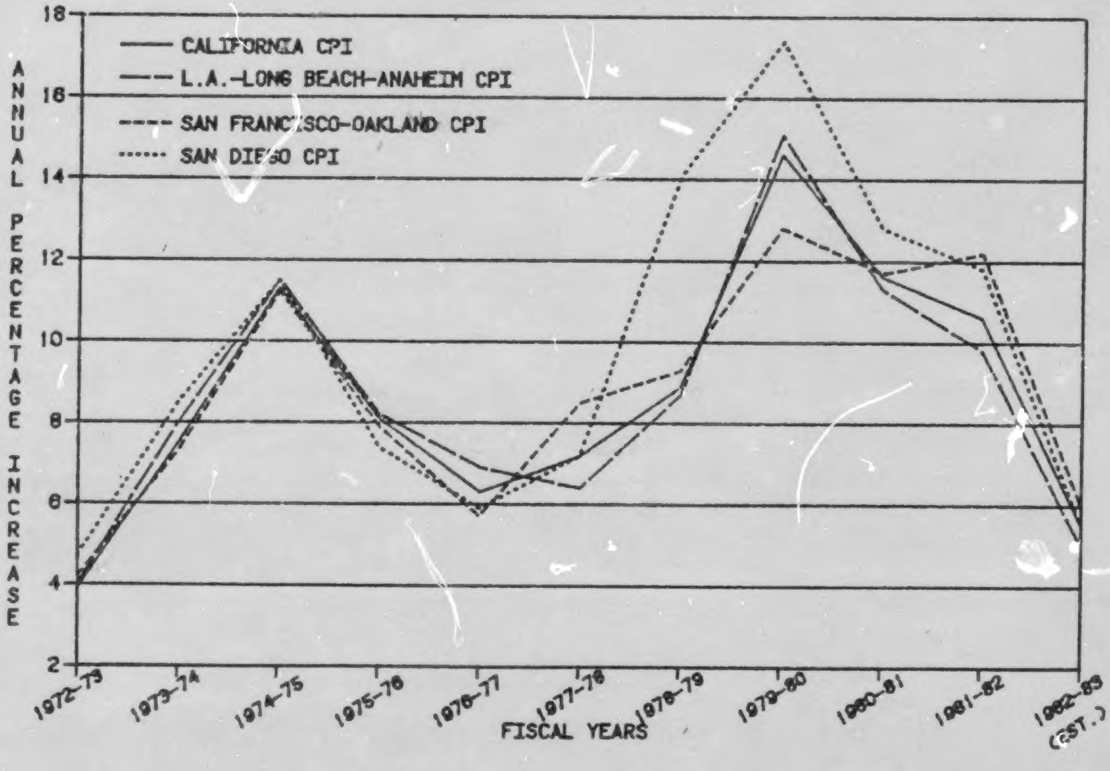


Source: Analytical Studies, California Postsecondary Education Commission.

TABLE 4 *Fiscal Year Changes in the California Consumer Price Index (CPI), 1972-73 to 1982-83*

Year	California CPI	Los Angeles-Long Beach-Anaheim CPI	San Francisco-Oakland CPI	San Diego CPI
1972-73	3.9%	4.0%	4.2%	4.7%
1973-74	7.5	8.0	7.3	8.5
1974-75	11.6	11.5	11.2	11.5
1975-76	8.1	8.2	7.9	7.4
1976-77	6.3	6.9	5.7	5.9
1977-78	7.2	6.4	8.5	7.2
1978-79	8.9	8.7	9.3	14.1
1979-80	14.6	15.1	12.8	17.4
1980-81	11.6	11.3	11.7	12.8
1981-82	10.8	9.6	13.8	12.5
1982-83 (est.)	(2.2)	(1.7)	(1.9)	(2.4)

FIGURE 4 *Fiscal Year Changes in the California Consumer Price Index (CPI), 1972-73 to 1982-83*



Source: Analytical Studies, California Postsecondary Education Commission.

Because government revenues and expenditures often reflect the national economy, it is no surprise that both the federal and California governments have experienced severe dislocations over the past few years. According to the Council of Economic Advisers, the federal deficit for the current year is projected at $224.8 billion, an amount equal to 37.6 percent of anticipated revenues. In fiscal 1984 (the period from October 1, 1983 to September 30, 1984), the deficit is projected at $202.8 billion or 30.7 percent of revenues. The national debt, which stood at $437.3 billion in 1972, is expected to rise to $1.6 trillion by the end of 1984 (Council of Economic Advisers, 1983, p. 32).

In California, fiscal crisis has become almost normative. During the 1981-82 fiscal year, an extraordinary session was required to balance the current-year budget. That session produced $900 million in revenue increases and expenditure decreases, but even that was insufficient and another special session was convened to raise an additional $200 million. One of the by-products of that situation was the elimination of cost-of-living adjustments for all State employees, faculty among them, a point discussed more fully in Chapter Three.

Almost from the start of the 1982-83 fiscal year, it was clear that the revenue and cash-flow problems of the previous year would be repeated, and with greater severity. Each month, expenditures exceeded revenues, and the State Controller took several early actions to maintain solvency. Included were loans from the Reserve for Economic Contingencies, from special funds allocated for specific programs, and finally, a $400 million loan from a consortium of banks. Even with these actions, however, the State was still far from safe from fiscal chaos. At the time the Governor's Budget was introduced in January, the State budget was still $1.5 billion out of balance for the current fiscal year.

Part of the problem was undoubtedly the gubernatorial transition, a period when neither the outgoing governor nor the governor-elect felt able to exert the necessary leadership to solve the mounting problem. In addition, there was a wide variation of opinion as to how the problem should be solved, many legislators feeling that the deficit should be eliminated by spending

TABLE 5 Comparison of Five Economic Indicators, 1976 to 1982

Year	Annual Increases in the Consumer Price Index	Gross National Product (Billions)	Prime Rate	Unemployment Rate	Industrial Production (Indexed)
1976	5.8%	$1,718.0	6.84%	7.7%	130.5
1977	6.5	1,918.0	6.83	7.0	138.2
1978	7.7	2,163.9	9.06	6.0	146.1
1979	11.4	2,413.8	12.67	5.8	152.5
1980	13.4	2,633.1	15.27	7.1	147.0
1981	10.4	2,937.7	18.87	7.6	151.0
1982	6.1	3,057.6	14.86	9.7	138.6

reductions, others favoring tax increases, still others some combination of the two. All that was absolutely clear in January of 1983 was that something would have to be done in the very near future since the State would not be able to pay its bills by March 1, a possibility which would have necessitated the issuance of "registered warrants." During the early months of 1983 when the crisis was most intense, the State's credit rating was lowered by Moody's bond rating service, the State Treasurer refused to offer any of the State's bonds for sale, and the State Controller became a regular witness at many legislative hearings to pronounce the latest "deadline" for the issuance of warrants.

Nevertheless, warrants were not issued, thanks to the passage of legislation as unprecedented as the crisis it was designed to solve. This was AB 28X, a bill which satisfied no one completely but which at least permitted the State to borrow additional hundreds of millions from the private sector to see it through to the end of the fiscal year without defaulting on its obligations. It principally represented a victory for the Governor's proposal to roll part of the deficit over into the 1983-84 fiscal year, but it also contained a "trigger" mechanism which would temporarily increase the sales tax should revenue forecasts in the Fall of 1983 be insufficient to match expenditures. The latter was considered a partial victory for the Senate Democrats. For the Republicans, there were substantial spending cuts in both the current and subsequent fiscal years. The major assumption of AB 28X is that the deficit for the 1982-83 year will be repaid through an improvement in the State's economy next year and the tax revenues that improvement will generate. Should those revenues fail to appear, the deficit will be repaid by the increase in the sales tax.

Virtually all economic forecasters predict that both the State and national economies will improve throughout 1983 and into 1984, although there is considerable variation among them. Tables 6 and 7 on page 12 show the predictions of several of them.

In a few categories, there is a considerable difference of opinion as to the performance of the economy in 1983 (e.g., unemployment, before-tax profits, and housing starts in California), but by and large, there appears to be a general consensus that the economy will recover, but not dramatically. In looking at the forecasts of a year ago and matching them to economic performance in 1982, it appears that the economists at the Graduate School of Management at UCLA can claim the greatest accuracy. They predicted personal income growth in this State with total accuracy at a 7.8 percent increase, and they were the only forecaster to come anywhere near the unemployment rate (8.8 percent prediction compared to an actual of 9.9 percent). Nevertheless, 1982 proved once again that predicting the course of the economy is extremely hazardous and uncertain. Among seven forecasters listed by the Legislative Analyst, the average error in virtually all categories of economic performance was large, particularly in the area of new residential housing permits where the average prediction was 133,000 for California, and the actual number was only 79,000, an error of 40.6 percent. Table 8 on page 13 shows a comparison of the predictions and the actualities.

TABLE 6 Comparisons of the National Economic Outlook for 1983 by Selected Forecasters

Forecaster	Percentage Change in: Real GNP	CPI	Before Tax Profits	Personal Income	Unemployment Rate	Housing Starts (Millions of Units)
Department of Finance	2.2%	5.5%	10.7%	7.4%	10.0%	1.34
UCLA	1.9	3.9	7.0	7.1	10.9	1.41
Security Pacific Bank	2.6	5.1	22.2	7.3	10.6	1.48
Citibank	3.1	5.2	15.9	8.3	9.9	1.50
Crocker Bank	3.2	5.8	N/A	N/A	9.3	1.38
First Interstate Bank	3.6	5.6	19.8*	9.5	9.5	1.31
Chase Econometrics	2.1	4.8	14.6	7.2	10.3	1.39
Wharton	2.4	4.9	10.2	7.1	10.5	1.47
Bank of America	1.3-2.5	4.9	2.0	6.8	10.3	1.39
Commission on State Finance	2.2	5.2	10.3	7.5	10.1	1.41
Average	2.5%	5.1%	12.5%	7.6%	10.1%	1.41

*Projection of corporate operating profits.

Source: Office of the Legislative Analyst, The 1983-84 Budget: Perspectives and Issues, Sacramento, February 1983, p. 67.

TABLE 7 Comparisons of the California Economic Outlook for 1983 by Selected Forecasters

Forecaster	Percentage Change in: Personal Income	CPI	Real Personal Income	Unemployment Rate	New Residential Building Permits (000)
Department of Finance	8.5%	4.4%	3.9%	10.2%	125
Security Pacific Bank	9.4	N/A	N/A	10.0	102
Bank of America	10.0	6.2	3.6	9.6	80
Crocker Bank	8.4	4.1	4.1	10.2	125
UCLA	7.4	2.9	4.4	11.6	114
Commission on State Finance	8.1	4.3	3.6	10.8	114
Average	8.6%	4.4%	3.9%	10.4%	110

Source: Ibid., p. 68.

Clearly, almost all of the estimates came in on the optimistic side. Personal income, "real" personal income, employment growth, the unemployment rate, and new residential building permits were all less satisfactory than the predictions. Only the inflation rate as measured by the California Consumer Price Index was lower, and therefore better, than anticipated.

The obvious question emerging from this history is why did so many forecasters make so many inaccurate predictions? The answer probably lies in the political arena, for economists today are required to predict not only the general performance of the economic sectors, but also the decisions of political leaders, most particularly the decisions of the Federal Reserve Board (FED) where the money supply and interest rates are concerned, and those of the national administration in spending and revenue priorities, both of which determine the level of the federal budget deficit. What seems clear from the forecasters is that the assumption was made that the deficit would not be as great as it is and that the FED's decisions in lowering interest rates and relaxing controls on the money supply would fuel an earlier recovery from the recession than actually occurred. Most particularly, the forecasters seem to have assumed that the FED would loosen up much more than it actually

TABLE 8 Accuracy of 1982 Economic Forecasts for California

	Percentage Change in:					
Forecaster	Personal Income Growth	CPI	"Real" Personal Income Growth	Wage and Salary Employment Growth	Unemployment Rate	New Residential Building Permits (in Thousands)
Department of Finance	10.3%	11.3%	-0.9%	1.1%	8.1%	125
First Interstate Bank	11.0	8.3	2.5	2.7	6.9	164
Security Pacific Bank	9.9	8.4	1.4	1.0	8.6	125
Wells Fargo Bank	11.0	8.0	2.8	1.0*	8.5	110**
Bank of America	9.0	7.5**	1.4	1.0*	8.0	135
UCLA	7.8**	5.7	2.0	-0.5**	8.8**	133
Crocker Bank	9.0	7.8	1.1**	0.2	8.4	138
Average Prediction	9.7%	8.1%	1.5%	0.9%	8.2%	133
Actual Result	7.8%	6.9%	0.3%	-1.4%	9.9%	79
Difference	-1.9	-1.2	-1.2	-2.3	+1.7	- 54

*Civilian employment growth estimate.
**Indicates the forecaster whose prediction was closest to the actual.

Source: Ibid., p. 56.

did in 1982. Table 9 below shows the 1982 and January 1983 history of the money supply (as measured by the "M1" total, the generally accepted measure of liquid assets nationally) and the discount rate (the interest rate charged by the FED to member banks). What can be seen is that the money supply increased very slowly until late in the year and that the discount rate didn't change at all until July. It will be noted that the prime rate (the rate banks charge their best customers), generally parallels the discount rate, and when these interest rates are high, it is very difficult for corporations to generate sufficient capital to expand their operations. In a severe recession, that expansion is crucial to recovery, and it seems quite clear that the monetary policies of the FED had the effect of delaying the comeback and thereby throwing off the above-noted predictions of 1982's economic performance. What also seems clear is that the FED pursued these policies because of a fear of refueling inflation, and also that the loosening of those policies followed a period of several months when inflation continued to move downward. All of these factors are shown in Table 9.

TABLE 9 1982 History of the Money Supply (M1), the Discount Rate, the Prime Rate, and the Consumer Price Index

Month	Money Supply (M1) (Billions)	Money Supply (M1) (% Incr.)*	Discount Rate	Prime Rate	Consumer Price Index*
1982					
January	$447.8	--	12%	15.75	4.3%
February	448.0	0.5%	12	17.00-15.75	3.8
March	448.6	1.6	12	16.50	- 1.3
April	449.3	1.9	12	16.50	5.1
May	452.4	8.3	12	16.50	11.8
June	453.4	2.7	12	16.50	14.6
July	454.4	2.7	12-11.5	16.50-15.50	6.6
August	458.3	10.3	11.5-10	15.50-13.50	2.5
September	463.2	12.8	10	13.50	2.1
October	468.8	14.5	10-9.5	13.50-12.00	3.3
November	474.1	13.6	9.5-9	12.00-11.50	- 2.0
December	478.4	10.9	9-8.5	11.50	- 4.9
1983					
January	482.4	10.0	8.5	11.50-11.00	2.9

*Annualized.

Source: Council of Economic Advisers, 1983, pp. 23, 26, 30.

What is clearly the most encouraging sign is that several of the steps required for a recovery have been taken without a major renewal of inflation. The money supply has increased dramatically over the past six months at the same time that interest rates have fallen appreciably, both of which are probably prerequisites for a renewal of economic growth. With inflation steady and possibly holding the promise of going lower due to reductions in oil prices, the likelihood of a sustained recovery is strong. Most forecasters are predicting a rise in the real Gross National Product of only about 2.5 percent in 1983, but some of that may be due to the caution they feel after getting "burned" in 1982. Historically, recoveries from recessions have been much stronger, as shown in Table 10 below.

In spite of this general tone of optimism, it remains unlikely that cost-of-living adjustments for faculty will be generous, or even adequate, for 1983-84. Although the Governor's Budget has proposed a 5 percent increase in employee compensation (including faculty), some of that increase will be required to maintain fringe benefit levels, and that should bring the range adjustment to a somewhat lower figure. Further, even assuming economic recovery and higher State revenues, there are hundreds of millions of dollars to be repaid to the banks which carried the State through its most recent fiscal crisis, as well as dozens of competing interests within State government which have all suffered cutbacks over the past two years. Accordingly, even in the face of the highest combined parity deficiency for the University and the State University ever seen (see Chapter Three), the prospects for catching up with the comparison institutions are not bright.

TABLE 10 Percentage Growth in the Gross National Product for the Fiscal Year Following Recessions, 1954-55 to 1980-81

Years	Percentage Growth in "Real" Dollars
1954-55	7.5%
1958-59	7.0
1960-61	6.4
1970-71	4.7
1975-76	6.6
1980-81	3.1
Average	5.9%

Source: Bank of America.

CHAPTER TWO

COMPARISONS WITH OTHER PROFESSIONAL GROUPS AND COMPETITION FROM BUSINESS AND INDUSTRY

This chapter compares dollar and percentage increases in compensation for California faculty to those of other professional groups, and each of these to increases in both the Consumer Price Index (CPI) and the Implicit Price Deflator for Personal Consumption Expenditures (PCE). It also contains a discussion of the continuing problem of business and industrial competition for the most talented professionals available, especially in technological disciplines.

FEDERAL AND STATE EMPLOYEES

Tables 11 and 12 on pages 18-19 compare percentage and indexed increases in the CPI and the PCE to across-the-board (cost-of-living) salary increases for federal employees, California State employees, and University and State University faculty since 1963-64. Figure 5 on page 20 displays these comparisons graphically in terms of average annual percentage increases, and Figure 6 on the same page shows losses in real income for each group.

These tables and figures show that the first ten-year period (1963-64 to 1972-73) was a favorable one for public employees in general, including faculty. During this time, the University of California kept pace with inflation and the State University exceeded it by more than a percentage point each year. However, during the most recent ten-year period (1972-73 to 1982-83), no group came anywhere near matching either of the cost-of-living indices, with University of California faculty faring the worst of any of the four groups in the tables. State employees certainly did the best, although even they were still losing almost three percentage points a year to the CPI, and about two points to the PCE. In the first three years of the 1980s, no group matched inflationary increases, although federal employees came very close with an increase of 4.0 percent compared to a CPI increase of 4.1 percent and a PCE increase of 4.7 percent. With no increase granted to any State employees in the current year, it is obvious that further ground was lost.

OTHER PROFESSIONAL WORKERS

Tables 13 and 14 on pages 21-22 compare actual salaries and indexed salary values from 1962-63 through 1982-83 for associate professors at the University of California and the California State University with those of seven other professional groups surveyed by the Bureau of Labor Statistics as part of its National Survey of Professional, Administrative, Technical, and Clerical Pay.

These tables use the rank of associate professor instead of an all-ranks average since increases in the number of faculty at the professor rank tend to distort the latter average when comparing faculty salaries with such groups as those displayed in Tables 13 and 14, for which middle ranks were also used. This single-rank average does not eliminate distortion completely,

TABLE 11 Percentage Increases in the Consumer Price Index (CPI), the Implicit Price Deflator for Personal Consumption Expenditures (PCE), and Salaries for Federal and State Employees and University of California and California State University Faculty, 1963-64 to 1982-83

Year	CPI	PCE	Federal Civil Service	State Civil Service	University of California	California State University
1963-64	1.3%	1.6%	5.6%	6.1%	5.0%	5.0%
1964-65	1.5	1.4	8.7	0.8	0.0	0.0
1965-66	2.3	2.3	0.0	4.4	7.0	10.0
1966-67	2.9	2.8	6.6	4.5	2.5	6.7
1967-68	3.6	3.2	4.6	5.1	5.0	5.0
1968-69	4.6	4.2	4.9	5.7	5.0	7.5
1969-70	5.9	4.9	9.1	5.6	5.0	5.0
1970-71	5.2	4.4	6.0	5.2	0.0	0.0
1971-72	3.6	4.1	6.0	0.0	0.0	0.0
1972-73	4.0	3.8	5.4	9.0	9.0	8.4
1973-74	9.0	8.3	5.2	11.7	5.4	7.5
1974-75	11.1	10.5	4.7	5.3	5.5	5.3
1975-76	7.1	6.1	5.4	6.7	7.2	7.2
1976-77	5.8	5.2	5.0	6.6	4.3	4.3
1977-78	6.7	6.0	7.0	7.5	5.0	5.0
1978-79	9.4	7.8	5.5	0.0	0.0	0.0
1979-80	13.3	10.8	7.0	14.5	14.5	14.5
1980-81	11.5	9.4	9.1	9.8*	9.8*	9.8*
1981-82	8.7	7.4	4.8	6.0	6.0	6.0
1982-83	(4.1)	(4.8)	4.0	0.0	0.0	0.0

*Actually 9.75

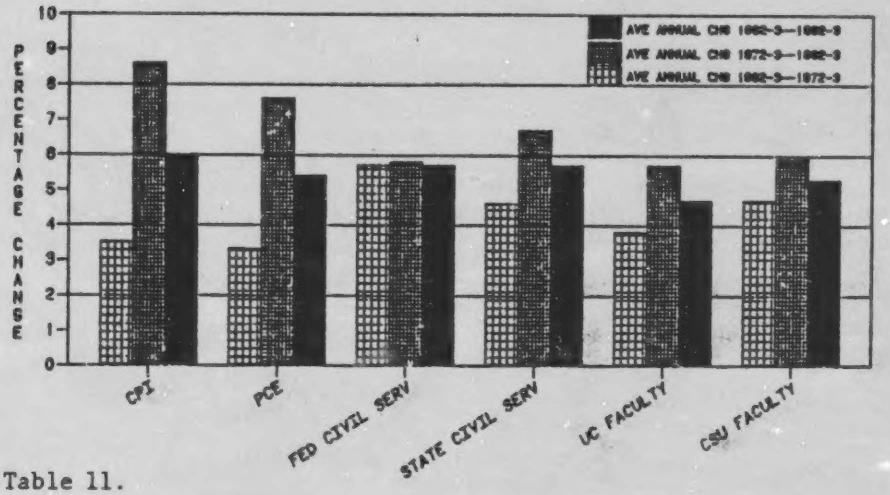
Source: Previous Commission annual faculty salary reports.

TABLE 12 Indexed Increases in the Consumer Price Index (CPI), the Implicit Price Deflator for Personal Consumption Expenditures (PCE), and Salaries for Federal and State Employees and University of California and California State University Faculty, 1963-64 to 1982-83 (Estimates are in Parentheses)

Year	CPI	PCE	Federal Civil Service	State Civil Service	University of California	California State University
1962-63	100.0	100.0	100.0	100.0	100.0	100.0
1963-64	101.3	101.6	105.6	106.1	105.0	105.0
1964-65	102.8	103.0	114.8	106.9	105.0	105.0
1965-66	105.2	105.4	114.8	111.7	112.4	115.5
1966-67	108.2	108.3	122.4	116.7	115.2	123.2
1967-68	112.1	111.8	128.0	122.6	120.9	129.4
1968-69	117.3	116.5	134.3	129.6	127.0	139.1
1969-70	124.2	122.2	146.5	136.9	133.3	146.1
1970-71	130.7	127.6	155.3	144.0	133.3	146.1
1971-72	135.4	132.8	164.6	144.0	133.3	146.1
1972-73	140.8	137.9	173.5	157.0	145.3	158.3
1973-74	153.5	149.3	182.5	175.3	153.2	170.2
1974-75	170.5	165.0	191.1	184.6	161.6	179.2
1975-76	182.6	175.1	201.4	197.0	173.2	192.1
1976-77	193.2	184.2	211.5	210.0	180.7	200.4
1977-78	206.1	195.2	226.3	225.7	189.7	210.4
1978-79	225.5	210.4	238.7	225.7	189.7	210.4
1979-80	255.5	233.2	255.4	258.5	217.2	240.9
1980-81	284.9	255.1	278.7	283.7	238.4	264.4
1981-82	309.7	274.0	292.0	300.7	252.7	280.3
1982-83	(322.4)	(287.1)	303.7	300.7	252.7	280.3
Average Annual Increases:						
1962-63/ 1982-83	6.0%	5.4%	5.7%	5.7%	4.7%	5.3%
1962-63/ 1972-73	3.5%	3.3%	5.7%	4.6%	3.8%	4.7%
1972-73/ 1982-83	8.6%	7.6%	5.8%	6.7%	5.7%	5.9%
Increases Relative to Price Indexes, 1973-74 to 1982-83:						
CPI	--	--	-23.6%	-16.4%	-24.1%	-22.7%
PCE	--	--	-15.9%	-8.0%	-16.5%	-15.0%

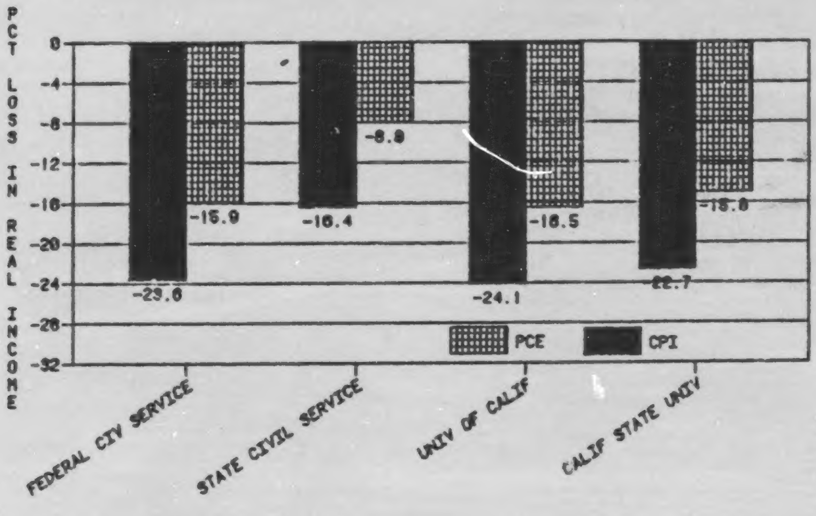
Source: Previous Commission annual faculty salary reports.

FIGURE 5 *Average Annual Percentage Increases in the Consumer Price Index (CPI), the Implicit Price Deflator for Personal Consumption Expenditures (PCE), and Salaries for Federal and State Employees and University of California and California State University Faculty, 1962-63 to 1972-73, 1972-73 to 1982-83, and 1962-63 to 1982-83*



Source: Table 11.

FIGURE 6 *Real Income Losses of Federal and State Civil Servants and University and State University Faculty Compared to the Consumer Price Index (CPI) and the Implicit Price Deflator for Personal Consumption Expenditures (PCE), 1972-73 to 1982-83*



Source: Table 12.

TABLE 13 *Salaries of University of California and California State University Associate Professors and of Seven Other Professional Groups, 1962-63 to 1982-83*

Year**	UC Associate Professors	CSU Associate Professors	Accountants	Auditors	Attorneys	Job Analysts	Directors of Personnel	Chemists	Engineers
1962-63	$10,441	$ 9,425	$ 7,668	$ 7,572	$12,300	$ 7,716	$12,060	$11,334	$11,634
1963-64	10,482	9,444	7,908	7,854	12,816	7,998	12,528	11,688	11,970
1964-65	10,994	10,032	8,124	8,094	13,644	8,280	12,936	12,024	12,324
1965-66	11,804	10,836	8,328	8,322	14,052	8,592	13,212	12,594	12,786
1966-67	12,072	11,460	8,879	8,902	14,419	8,888	13,857	13,225	13,474
1967-68	12,643	12,033	9,367	9,342	15,283	9,611	14,610	14,007	14,158
1968-69	13,365	12,732	10,029	10,007	19,163	9,838	15,332	14,720	15,000
1969-70	14,053	13,437	10,686	10,715	20,304	10,377	16,626	15,642	15,850
1970-71	14,150	13,526	11,383	11,435	22,178	11,207	17,872	16,482	16,757
1971-72	14,107	13,101	11,879	11,903	23,448	11,677	18,277	17,126	17,394
1972-73	16,439	14,567	12,472	12,464	24,693	12,036	19,869	17,726	18,322
1973-74	16,411	15,965	13,285	13,183	25,956	12,705	21,447	18,993	19,292
1974-75	17,365	16,844	14,458	13,961	28,159	13,746	22,486	20,952	20,935
1975-76	18,585	18,166	15,428	14,743	29,828	14,825	24,283	22,264	22,416
1976-77	19,490	19,101	16,545	15,806	30,973	15,294	26,472	23,944	23,846
1977-78	20,133	20,223	18,115	17,364	33,547	16,197	29,223	26,013	25,987
1978-79	20,620	20,361	19,468	18,398	37,807	17,720	31,133	28,144	28,231
1979-80	23,535	23,447	21,299	20,014	40,864	19,140	34,824	30,737	30,814
1980-81	25,466	25,785	23,545	22,108	44,853	20,548	39,042	33,732	34,039
1981-82	27,256	27,276	25,673	24,284	49,818	22,464	42,861	37,127	37,560
1982-83	27,664	27,331	(27,367)*	(25,814)*	(53,604)*	(23,767)*	(45,818)*	(39,503)*	(39,964)*
Average Annual Increase	5.0%	5.5%	6.6%	6.3%	7.6%	5.8%	6.9%	6.4%	6.4%

*Estimate

**Nine-month salaries for associate professors are for the fiscal year noted. Twelve-month salaries for all other professional groups are determined on March 1 of the fiscal year noted.

Sources: Associate Professors: Annual reports on faculty salaries, California Postsecondary Education Commission; Other Professionals: National Survey of Professional, Administrative, and Clerical Pay, U.S. Department of Labor, Bureau of Labor Statistics.

TABLE 14 Indexed Salaries of University of California and California State University Associate Professors and of Seven Other Professional Groups, 1962-63 to 1982-83

Year**	UC Associate Professors	CSU Associate Professors	Accountants	Auditors	Attorneys	Job Analysts	Directors of Personnel	Chemists	Engineers
1962-63	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1963-64	100.4	100.2	103.1	103.7	104.2	103.7	103.9	103.1	102.9
1964-65	105.3	106.4	105.9	106.9	110.9	107.3	107.3	106.1	105.9
1965-66	113.1	115.0	108.6	109.9	114.2	111.4	109.6	111.1	109.9
1966-67	115.6	121.6	115.8	117.6	117.2	115.2	114.9	116.7	115.8
1967-68	121.1	127.7	122.2	123.4	124.3	124.6	121.1	123.6	121.7
1968-69	128.0	135.1	130.8	132.2	155.8	127.5	127.1	129.9	128.9
1969-70	134.6	142.6	139.4	141.5	165.1	134.5	137.9	138.0	136.2
1970-71	135.5	143.5	148.4	151.0	180.3	145.2	148.2	145.4	144.0
1971-72	135.1	141.1	154.9	157.2	190.6	151.3	151.6	151.1	149.5
1972-73	157.5	154.6	162.6	164.6	200.8	156.0	164.8	156.4	157.5
1973-74	157.4	169.4	173.3	174.1	211.0	164.7	177.8	167.6	165.8
1974-75	166.3	178.7	188.5	184.4	228.9	178.1	186.5	184.9	179.9
1975-76	178.0	192.7	201.2	194.7	242.5	192.1	201.4	196.4	192.7
1976-77	186.7	202.7	215.8	208.7	251.8	198.2	219.5	211.3	205.0
1977-78	192.8	214.6	236.2	229.3	272.7	209.9	242.3	229.5	223.4
1978-79	197.5	216.0	253.9	243.0	307.4	229.7	258.2	248.3	242.7
1979-80	225.4	248.8	277.8	264.3	332.2	248.1	288.8	271.2	264.9
1980-81	243.9	270.2	307.1	292.0	364.7	266.3	323.7	297.6	292.6
1981-82	261.1	289.4	334.8	320.7	405.0	291.1	355.4	327.6	322.8
1982-83	265.0	290.0	(356.8)*	(341.0)*	(436.0)*	(308.0)*	(379.9)*	(348.5)*	(343.5)*
1962-63/ 1982-83	165.0%	190.0%	256.8%	241.0%	336.0%	208.0%	279.9%	248.5%	243.5%
1962-63/ 1971-72	35.1%	41.1%	54.9%	57.2%	90.6%	51.3%	51.6%	51.1%	49.5%
1971-72/ 1982-83	96.2%	105.5%	130.3%	116.9%	128.8%	103.6%	150.6%	130.6%	129.8%

*Estimate

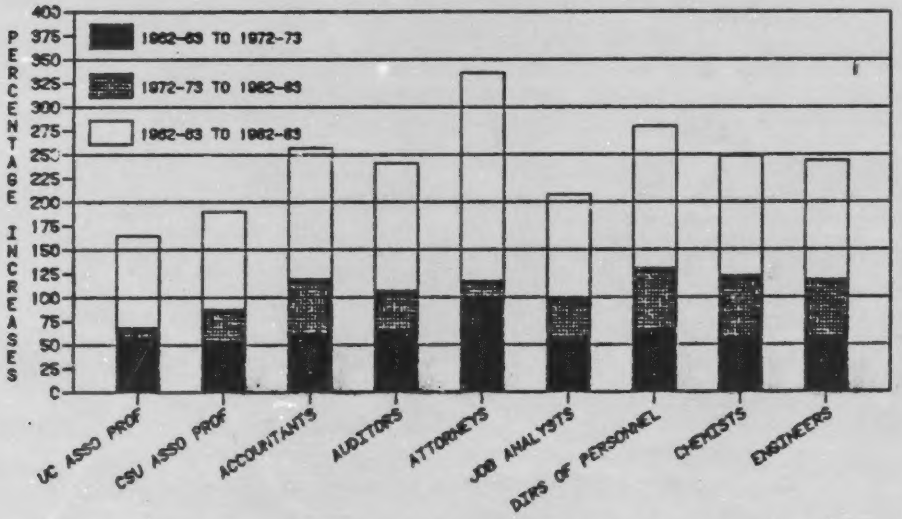
**Nine-month salaries for associate professors are for the fiscal year noted. Twelve-month salaries for all other professional groups are determined on March 1 of the fiscal year noted.

Sources: Associate Professors: Annual reports on faculty salaries, California Postsecondary Education Commission; Other Professionals: National Survey of Professional, Administrative, and Clerical Pay, U.S. Department of Labor, Bureau of Labor Statistics.

since the number of faculty at any given step of the rank can affect the average for the entire rank, but it is still preferable to an all-ranks average. The fact that some distortion continues to exist is indicated in Table 13 on page 21 and Table 15 on page 24, which show that the average salary for State University associate professors actually exceeds the average for University of California associate professors in 1981-82. Although the differences have never been large, this still marked the third occasion when the State University exceeded the University at that rank. At the other two ranks, the State University's faculty have always been paid a lower average salary, and it can be seen that the University restored its lead at the associate rank as well in 1982-83. The reason for the positional change in the three years noted is that far more State University associate professors occupy the top step of the associate range than do University of California associates, a point which will be discussed in Chapter Three.

Tables 13 and 14, as well as Figure 7, show that all seven of the comparison occupations received higher percentage increases between 1962-63 and 1982-83 than either University or State University associate professors, and in actuality, the differences are even greater than shown in the tables. Just taking the range adjustments (cost-of-living increases) granted since 1962-63 (Tables 11 and 12), the University has received increases of 152.7 percent and the State University 180.3 percent. Both of these figures are lower

FIGURE 7 Percentage Salary Increases for University of California and California State University Associate Professors and Seven Other Professional Groups, 1962-63 to 1972-73, 1972-73 to 1982-83, and 1962-63 to 1982-83



Source: Table 14.

TABLE 15 *Comparison of Average Annual Salaries in Private Industry with Salary Rates for Professional Federal Civil Service Employees and Faculty at the University of California and the California State University, March 1982*

Federal Grades and Comparable Private Industry Positions

GS-5 ($14,539)	GS-7 ($18,007)	GS-9 ($21,811)	GS-11 ($26,594)	GS-13 ($38,571)	GS-15 ($53,513)
Accounting Clerk IV ($18,083)	Accountant II ($22,068)	Accountant III ($25,673)	Accountant IV ($31.658)	Acccountant VI ($48,549)	Attorney VI ($76,202)
Accountant I ($18,260)	Auditor II ($22,065)	Attorney I ($25,162)	Attorney II ($31,696)	Attorney IV ($49,818)	Engineer VIII ($62,494)
Auditor I ($17,901)	Buyer II ($22,174)	Auditor III ($26,502)	Auditor IV ($32,004)	Chemist VI ($46,971)	
Buyer I ($18,074)	Chemist II ($23,474)	Buyer III ($27,424)	Buyer IV ($33.409)	Chief Accountant III ($50,414)	
Computer Operator II ($13,895)	Computer Operator IV ($19,325)	Chemist III ($28,016)	Chemist IV ($34.047)	Director of Personnel III ($47,553)	
Drafter IV ($20,964)	Drafter V ($25,909)	Computer Operator VI ($23,267)	Chief Accountant I ($34.506)	Engineer VI ($47,442)	
Engineer I ($23,622)	Engineer II ($26,060)	Engineer III ($29,311)	Director of Personnel I ($31,136)		
Engineering Technician III ($20,219)	Engineering Technician IV ($23,620)	Engineering Technician V ($26,761)	Engineer IV ($34,443)		
Job Analyst I ($18,573)	Job Analyst II ($19,900)	Job Analyst III ($25,028)	Job Analyst IV ($31,221)		
Personnel Clerk/ Assistant III ($15,718)	Photographer III ($22,425)	Photographer IV ($25,392)	Public Accountant III ($22,830)		
Photographer II ($18,773)	Public Accountant I ($17,260)	Public Accountant II ($19,177)	Programmer/ Programmer Analyst IV ($29,365)		
Programmer/ Programmer Analyst I ($17,535)	Secretary IV ($18,603)	Programmer/ Programmer Analyst III ($25,192)			
	Programmer/ Programmer Analyst II ($20,629)				

Supplementary Data - Faculty - 1981-82

Rank	University of California	California State University
Professor	$41,016	$35,363
Assoc. Professor	27,256	27,276
Asst. Professor	22,572	22,178
Instructor	---	19,643

Source: National Survey of Professional, Administrative, Technical, and Clerical Pay.

than the cumulative increases for associate professors shown in Table 14. Similarly, between 1971-72 and 1982-83, all seven groups exceeded the University of California faculty's increases, and six out of seven the State University faculty's increases, most by wide margins. Table 15 shows a representative list of occupations compared both to federal "GS" classifications and to faculty salaries in both California four-year segments.

All of the faculty salaries listed in the previous tables are based on nine months of employment while those for the other occupations are for eleven. Adjusting the faculty averages for comparability by an increase of 22.2 percent (the difference between nine and eleven months) raises the University of California all-ranks average for 1982-83 to $43,708 from its current level of $35,768 and the State University average from $31,331 to $38,286. This raises faculty compensation to the range of journeymen professionals in most other fields, but still below those listed in the GS-13 and GS-15 ranges shown in Table 15. Further, given the weighting system for the determination of the all-ranks averages, it is clear that the only reason the averages are as high as they are is because of the preponderance of faculty at the full professor rank (approximately 63 percent of the faculty at the University and 60 percent at the State University). Since these faculty are comparable in age and experience to professionals at the highest levels shown in Table 9, the comparison reaffirms other data which show that faculty salaries are not as competitive with other groups as might be supposed. This appears to be particularly true in such disciplines as business administration, computer science, and engineering, as the Commission has observed in two recent reports (Engineering and Computer Science Education in California Public Higher Education, and Recruitment and Retention of Engineering Faculty: A Report to the Legislature in Response to Assembly Bill 2023).

COMPETITION FROM BUSINESS AND INDUSTRY

For the past two years, the Commission has noted the serious shortage of highly-trained technical personnel in general and that of business/management, engineering, and computer science faculty in California colleges and universities in particular. Recently, a report by the Western Interstate Commission for Higher Education (WICHE) addressed the problem at length, noting that to a very large extent, the future economic well being of the United States depends more than ever on technological pre-eminence. The report opens with a comment from the Report of the Special Task Force on Long-Term Economic Policy to the House of Representatives:

> A generation ago, a relatively short list of traditional industries--steel, autos, textiles, machinery, mining, construction, and agriculture--alone accounted for more than half of our nation's exports, a quarter of its output and a quarter of its jobs.
>
> In the last generation, however, nine out of every ten jobs created have been in the services and information sectors. More than two-thirds of the rise in real GNP over that period was contributed by these new economic forces.

> The worldwide demand for knowledge, and the advanced high technology which conveys it, has created burgeoning new markets in industries such as computers, communications, electronic components, aerospace, pharmaceuticals, materials science, energy, bioengineering, photosynthesis, fiber optics, international finance, and data management. (Western Interstate Commision for Higher Education, 1983a, p. v.)

It seems clear that American industry has taken this statement as truth, and it has resulted in an intense competition for technologically trained manpower. That competition has produced a rapid escalation in compensation for engineers, computer scientists, and business administrators, one that most universities have not been able to match. The WICHE report included three tables produced by the American Council on Education which highlighted the problem as it existed in 1980. These are reproduced as Tables 16 (below) and 17 and 18 on page 27.

WICHE identified four major problems surrounding the recruitment and retention problem: "(1) an inability of many colleges and universities to provide salaries and benefits competitive with high-technology industry; (2) an inability to provide an attractive work environment because of increasing classroom loads (burgeoning student enrollments coupled with static and/or declining faculty numbers have resulted in increasing faculty workloads); (3) lack of adequate resources to support research interests; and (4) a shortage of doctoral students preparing for future faculty positions created by expansion and retirements" (p. 33).

TABLE 16 Permanent Full-Time Engineering Faculty Positions Unfilled, Fall 1980

Engineering Fields	Number and Percent of Positions Unfilled at Beginning of Fall Term 1980	
	Number	Percent
Aeronautical and Astronautical	26	4.0%
Chemical	136	9.8
Civil	276	9.5
Computer	146	16.0
Electrical	333	9.3
Industrial	135	13.4
Mechanical	275	8.8
Other Engineering Fields	257	9.7
TOTAL	1,583	9.8%

Source: Western Interstate Commission for Higher Education, 1983a, p. 32.

TABLE 17 Full-Time Engineering Faculty Who Voluntarily Left Academia for Full-Time Employment in Industry, 1979-80 (244 Institutions Reporting)

Engineering Fields	Voluntary Departures Number	 As a Percent of Total Faculty
Aeronautical and Astronautical	12	1.9%
Chemical	32	2.6
Civil	61	2.3
Computer	43	5.6
Electrical	89	2.7
Industrial	24	2.8
Mechanical	78	2.7
Other Engineering Fields	58	2.4
TOTAL	397	2.7%

Source: Western Interstate Commission for Higher Education, 1983a, p. 32.

TABLE 18 Impacts on Engineering Colleges Resulting From Faculty Shortages (215 Institutions Reporting)

Impacts	Percent of Institutions that Reported Decreased Ability to Recruit or Retain Full-Time Engineering Faculty
There has been a reduction in faculty research	34.8%
There has been an increase in teaching loads	80.3
There is greater reliance on graduate assistants or part-time faculty	65.7
We have been unable to offer courses in certain subjects	53.5
Other (includes reduced guidance of students, restraints in program development, and changes in the quality of instructional programs)	21.1
There has been no significant effect as yet	8.1

Source: Western Interstate Commission for Higher Education, 1983a, p. 33.

The Commission's report on engineering and computer science manpower noted that in the State University, there are now more part-time faculty than full timers, and that that segment would hire additional full-time faculty to replace 472 of the part-timers if they could. It was also observed that within the past three years, "37 tenured and 37 non-tenured faculty have resigned. Thirty-nine were hired by industry, 32 accepted positions at other universities, and 4 sought government or other employment" (1982, p. 50-51). The report went on to cite a number of specific campus problems, such as the case of one campus which received 215 applications for 20 positions, made 22 offers, and had 10 of those rejected, all over a three-year period.

At the University of California, the problems are not as severe as at the State University, but they remain serious. There were 46 resignations over the past three years, and 41 of those accepted positions either in industry or other universities, mostly the former. Approximately 16 percent of the Universitiy's full-time engineering and computer science faculty positions are held by part-time faculty, partially by design but mostly due to the inability to find qualified individuals to fill them.

Both the University and the State University have taken actions over the past twelve months to increase faculty compensation in high-demand disciplines, a category which includes business professors as well. The University Regents approved a separate rate salary schedule for business/management and engineering faculty for 1982-83, one which provided increases of between 9.5 and 33.8 percent over the schedule for most other faculty (the average increase was 22.9 percent). In addition, several housing subsidy programs were also approved, all of which were detailed by the Commission in last year's final salary report. There have been no additional programs approved since that time.

The State University Trustees were unable to implement a new schedule without legislative approval, but they did approve a resolution allowing for appointment of new faculty members at the associate professor level but with an assistant professor's rank. Further, Chancellor Reynolds recently approved an executive order authorizing two-step salary increases for existing faculty "where it is necessary to retain essential faculty in engineering, computer science, and business" and "where salary level is a major factor in retention." (Chancellor's Executive Order No. 402, as quoted by the Commission, 1983, p. 4). According to the Commission, "So far, for the entire system, two-step advancements have been given to only three faculty members on two campuses--one at Long Beach and two at San Luis Obispo" (ibid.). With regard to appointments with associate professor's salaries, only two new faculty members were hired above the assistant professor scale. At the University, officials there have noted no impact from the revised salary schedule.

The Commission issued its report on recruitment and retention of engineering faculty in response to AB 2023 (Elder), which recognized that there is a problem in recruiting and retaining qualified faculty in certain disciplines. The report confirmed that legislative recognition, and recommended a number of actions including the following:

- Modernization of instructional and research equipment (p. 43).

- Relief for engineering faculty from "non-instructional activities that detract from their primary commitments."

- Continuation of differential salaries at the University of California and implementation of differential schedules at the State University "to compete effectively with its comparable institutions" and extension of opportunities by industry "for engineering faculty to increase their income through summer employment, continuing education instruction, grants, and consulting" (p. 46).

- Implementation of "overlapping salary ranges with sufficient flexibility to accommodate changes in demand within engineering" (p. 47).

This latter recommendation noted that differential salaries should only be a temporary measure to improve the segments' competitive position and that the long-range solution would be to institute schedules with overlapping salary ranges in engineering. Presumably, the flexibility of such schedules could also accommodate future demand changes in other disciplines beyond engineering.

Few, if any, states depend more on highly trained technological manpower than does California. According to the Center for the Continuing Study of the California Economy in Palo Alto (1982), the State claimed 20.1 percent of all the high-technology jobs in the country in 1980, with "high technology" defined as all workers in the fields of computers, communication equipment, electronic components, instruments, and computer services. In addition, California employed a similar percentage of all the engineers in the country, yet according to WICHE (1983b), only 9.0 percent of the new baccalaureate engineers graduated from California institutions in 1980-81. The percentages for master's and doctorate degrees were higher (16.3 and 18.0 percent, respectively) but still below California's share of engineers. Of all engineering degrees, California's share was only 10.9 percent, and of all computer science degrees, its share was only 9.5 percent.

The recent Commission reports on engineering and computer science education and on recruitment and retention of engineering faculty detailed the problems in these fields far more exhaustively than can be presented here, and they make it clear that both California and the nation are experiencing shortages of trained technological manpower. In California, the problem appears to be especially severe where University and State University faculty are concerned, and the core of that problem appears to be an uncompetitive salary structure with respect both to private corporations and other universities. The immediate solution appears to be differential salary scales for disciplines where the demand is greatest, but the long-term solution most probably lies in increasing overall salary flexibility in all disciplines. That possibility is discussed in Chapter Three which follows.

CHAPTER THREE

PROJECTED SALARIES AT THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY REQUIRED FOR PARITY WITH COMPARISON INSTITUTION PROJECTIONS 1982-83 AND 1983-84

On November 19, 1982, the Regents of the University of California approved the following resolution:

> That the President be instructed to negotiate with the Governor-elect and the Legislature a salary increase for the faculty which will bring them back to full parity with the comparison institutions as soon as possible, given the financial stringencies facing the State. The Regents recognize that because of these stringencies it is unrealistic to assume that full parity can be achieved by July 1, 1983, but the Board believes it to be essential that it be achieved no later than July 1, 1984, and further instructs the President to negotiate, as necessary, to that end.

The California State University Trustees did not approve a salary increase proposal for 1983-84, the second consecutive year they have declined to do so. The reason was the same in both years, the advent of collective bargaining and the concomitant anticipation that salaries will soon be negotiated between the Trustees and the faculty union, now officially designated as the Congress of Faculty Associations by the Public Employment Relations Board (PERB).

The final certification of CFA took place on February 17, 1983, and it marked the culmination of a long and intense struggle between the eventual winner and the United Professors of California (UPC). The first representation election was certified by PERB on February 2, and it showed the results presented in Table 19. The second election was completed in May of 1982, and it took the intervening nine months to arrive at a final decision. The results of the runoff and final certification are shown in Table 20 on page 32.

TABLE 19 Results of Preliminary Election for the Selection of an Exclusive Bargaining Agent for California State University Faculty

Candidate	Votes Received	Percentage of Vote
United Professors of California	6,316	42.2%
Congress of Faculty Associations	6,267	41.8
No Representation	2,400	16.0
TOTAL	14,983	100.0%

TABLE 20 *Results of the Final Election for the Selection of an Exclusive Bargaining Agent for California State University Faculty*

Candidate	Votes Received	Percentage of Vote
Initial Count:		
United Professors of California	6,491	49.0%
Congress of Faculty Associations	6,479	48.9
Challenged Ballots	271	2.1
TOTAL	13,241	100.0%
Final Count:		
United Professors of California	6,541	49.9%
Congress of Faculty Associations	6,580	50.1
TOTAL	13,121	100.0%

Currently, the bargaining process is underway between CFA and the Trustees, and it is presumed that a memorandum of understanding will be forthcoming within the next few months. Regardless of the outcome of these negotiations, the Commission will follow its usual practice of presenting the results of the comparison methodology for the current and budget years. These results are shown in Table 21 below.

Table 21 shows that the University's and the State University's all-ranks average salaries for the current year are 9.4 and 2.4 percent behind the average for their respective comparison groups in the current year. These figures are almost exactly as predicted in the Commission's salary report last year (9.8 percent for the University and 2.3 percent for the State

TABLE 21 *University of California and California State University Average Salaries and Parity Requirements, 1982-83 and 1983-84*

Segment	UC and CSU Salaries in 1982-83	Comparison Institutions' Salaries (Actual) 1982-83	Comparison Institutions' Salaries (Projected) 1983-84	Comparison Institutions' Salaries Lead UC and CSU by: 1982-83	Comparison Institutions' Salaries Lead UC and CSU by: 1983-84
University of California	$35,768	$39,114	$42,393	9.4%	18.5%
California State University	$31,331	$32,090	$34,209	2.4%	9.2%

Source: UC and CSU surveys and previous Commission annual faculty salary reports. (See Appendices E, F, G, and H, pp. 101-144.)

University). For the budget year, the projected deficits are 18.5 and 9.2 percent, respectively. The large differences between the two years are the result of last year's decision not to grant any cost-of-living adjustments to any State employee group at the same time that the average comparison institution salary increased by 8.9 percent for the University of California group, and 6.3 percent for the State University. These increases between 1981-82 and 1982-83 are relatively close to the average for the five-year period since 1977-78, slightly higher than the 8.6 percent average for the University group, and a bit lower than the 6.9 percent average for the State University group. The fact that these averages for both the one-year and the five-year periods were relatively similar, accounts in large measure for the accuracy of last year's projections.

The University of California has maintained the same list of eight comparison institutions for the past 12 years. It consists of the four public and four independent universities shown below in Table 22.

As groups, these institutions have had somewhat different salary increase histories over the past 11 years. Table 23 on pages 34-35 shows the average annual increases for all eight institutions as a group, and the increases for the public and independent institutions separately.

The data in Table 23 are also shown on pages 36-37 in Figures 8, 9, 10, and 11 which present comparisons between the University and the public group, the private group, the entire eight, and also between the public and private universities. These figures show that while the private group has always paid higher average salaries than the University, the lead has increased dramatically in recent years, just as it has between the public and private comparison institutions.

A large part of the reason why the private universities have been able to maintain salaries at relatively high levels is undoubtedly their ability to increase tuition. Public institutions have also increased tuition substantially in recent years, but neither in absolute numbers or in percentage increases has public tuition increased nearly as much as private tuition. Table 24 on page 38 shows the history of these increases since 1973-74, the same period as shown in the previous salary table.

TABLE 22 University of California Public and Independent Comparison Universities, 1972-73 to 1983-84

Public Comparison Institutions	Independent Comparison Institutions
State University of New York-Buffalo	Cornell University
University of Illinois-Urbana	Harvard University
University of Michigan-Ann Arbor	Stanford University
University of Wisconsin-Madison	Yale University

*TABLE 23 Salary Increase Histories for the University of California and its Comparison Institutions, 1973-74 to 1982-83**

Item**	Professor	Associate Professor	Assistant Professor	All Ranks Average	Comparison Group Exceeds UC by:	Private Group Exceeds Public Group by:
1973-74						
UC	$24,110	$16,451	$13,601	$20,631		
Pub Grp	23,721	17,225	13,826	20,616	- 0.1%	
Pri Grp	25,244	16,782	13,136	21,322	+ 3.4	+ 3.4%
Comp 8	24,483	17,003	13,481	20,969	+ 1.6	
1974-75						
UC	$25,308	$17,365	$14,214	$21,669		
Pub Grp	25,138	17,978	14,540	21,764	+ 0.4%	
Pri Grp	26,588	17,773	13,524	22,431	+ 3.5	+ 3.1%
Comp 8	25,863	17,876	14,032	22,098	+ 2.0	
1975-76						
UC	$27,169	$18,585	$15,236	$23,245		
Pub Grp	26,570	18,791	15,231	22,932	- 1.4%	
Pri Grp	28,521	18,918	14,470	24,021	+ 3.3	+ 4.8%
Comp 8	27,546	18,854	14,851	23,477	+ 1.0	
1976-77						
UC	$28,018	$19,463	$16,057	$24,097		
Pub Grp	27,341	19,232	15,517	23,548	- 2.3%	
Pri Grp	30,314	19,817	15,502	25,481	+ 5.7	+ 8.2%
Comp 8	28,828	19,524	15,510	24,515	+ 1.7	
1977-78						
UC	$29,381	$20,133	$16,792	$25,196		
Pub Grp	28,683	20,339	16,311	24,748	- 1.8%	
Pri Grp	32,089	20,952	16,419	26,969	+ 7.0	+ 9.0%
Comp 8	30,386	20,646	16,365	25,859	+ 2.6	
1978-79						
UC	$30,065	$20,620	$17,150	$25,782		
Pub Grp	30,462	21,881	17,542	26,384	+ 2.3%	
Pri Grp	34,304	22,004	17,353	28,705	+11.3	+ 8.8%
Comp 8	32,383	21,943	17,447	27,545	+ 6.8	
1979-80						
UC	$34,947	$23,535	$19,329	$29,770		
Pub Grp	33,073	23,530	18,152	28,451	- 4.4%	
Pri Grp	36,515	23,527	18,592	30,599	+ 2.8	+ 7.6%
Comp 8	34,794	23,529	18,372	29,525	- 0.8	

TABLE 23 (Continued)

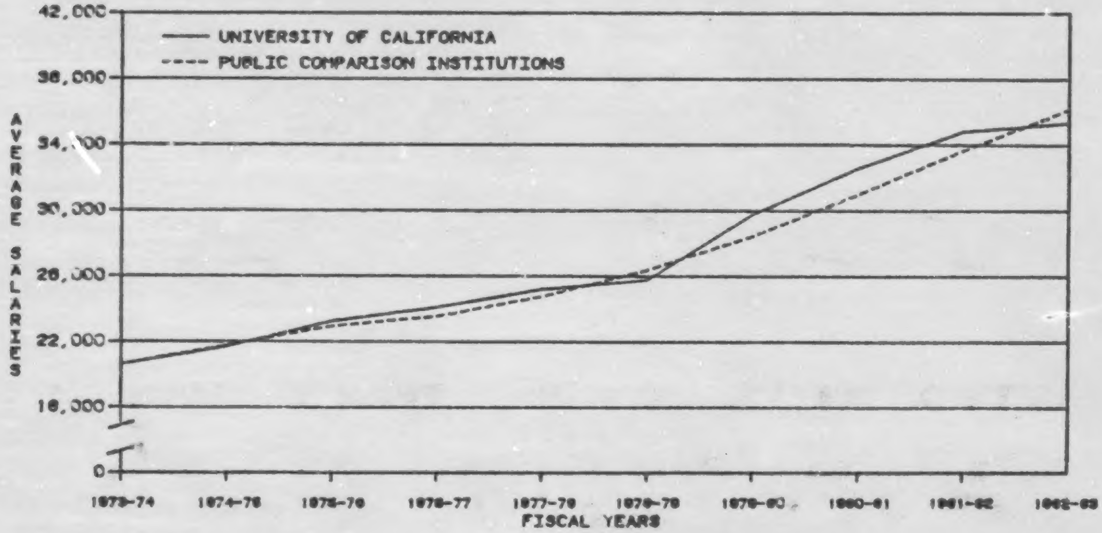
Item**	Professor	Associate Professor	Assistant Professor	All Ranks Average	Comparison Group Exceeds UC by:	Private Group Exceeds Public Group by:
1980-81						
UC	$38,330	$25,466	$21,214	$32,571		
Pub Grp	36,002	25,665	19,771	30,984	- 4.9%	
Pri Grp	40,286	25,605	20,421	33,661	+ 3.4	+ 8.6%
Comp 8	38,144	25,630	20,096	32,323	- 0.8	
1981-82						
UC	$41,016	$27,256	$22,572	$34,834		
Pub Grp	38,894	27,644	22,729	33,669	- 3.3%	
Pri Grp	44,534	28,607	23,153	37,374	+ 7.3	+11.0%
Comp 8	41,714	28,126	22,941	35,522	+ 2.0	
1982-83						
UC	$41,645	$27,664	$22,820	$35,351		
Pub Grp	41,653	29,664	24,976	36,171	+ 2.3%	
Pri Grp	49,024	31,420	25,794	41,173	+16.5	+13.8%
Comp 8	45,339	30,542	25,385	38,672	+ 9.4	

*All ranks averages were computed using the University of California's 1981-82 staffing pattern. Normally, all data from both the University of California and its comparison institutions are adjusted by a constant staffing pattern to ensure consistency in the all-ranks averages. In the case of Table 23, a single pattern has been used rather than individual staffing patterns for each year surveyed.

**"UC" refers to the University of California; "Pub Grp" refers to the four public comparison institutions (Buffalo, Illinois, Michigan, and Wisconsin); "Pri Grp" refers to the four private comparison institutions (Cornell, Harvard, Stanford, and Yale); "Comp 8" refers to the averages for all eight comparison institutions as a group.

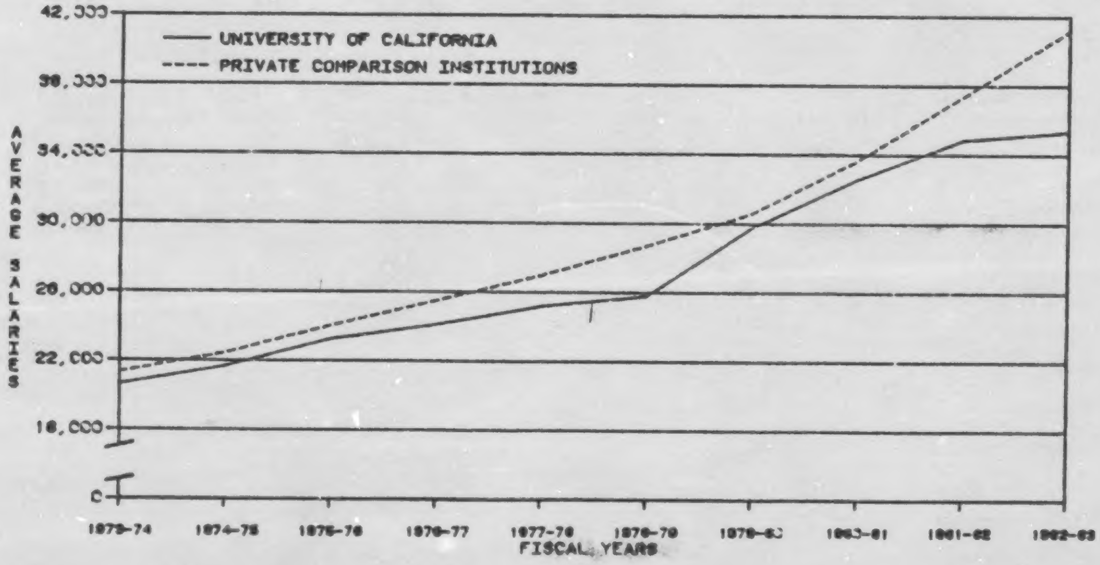
Source: Previous Commission annual faculty salary reports and current University of California data for 1982-83.

FIGURE 8 *All-Ranks Average Salaries at the University of California and Its Four Public Comparison Institutions (State University of New York-Buffalo; University of Illinois-Urbana; University of Michigan-Ann Arbor; and University of Wisconsin-Madison), 1973-74 to 1982-83*



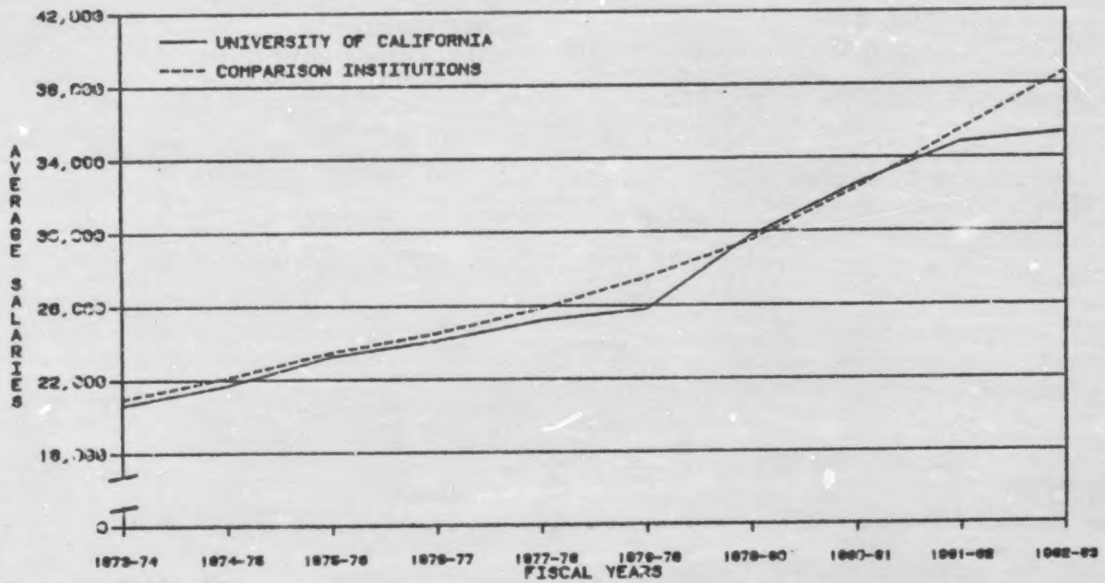
Source: Table 23.

FIGURE 9 *All-Ranks Average Salaries at the University of California and Its Four Private Comparison Institutions, (Cornell University; Harvard University; Stanford University; and Yale University), 1973-74 to 1982-83*



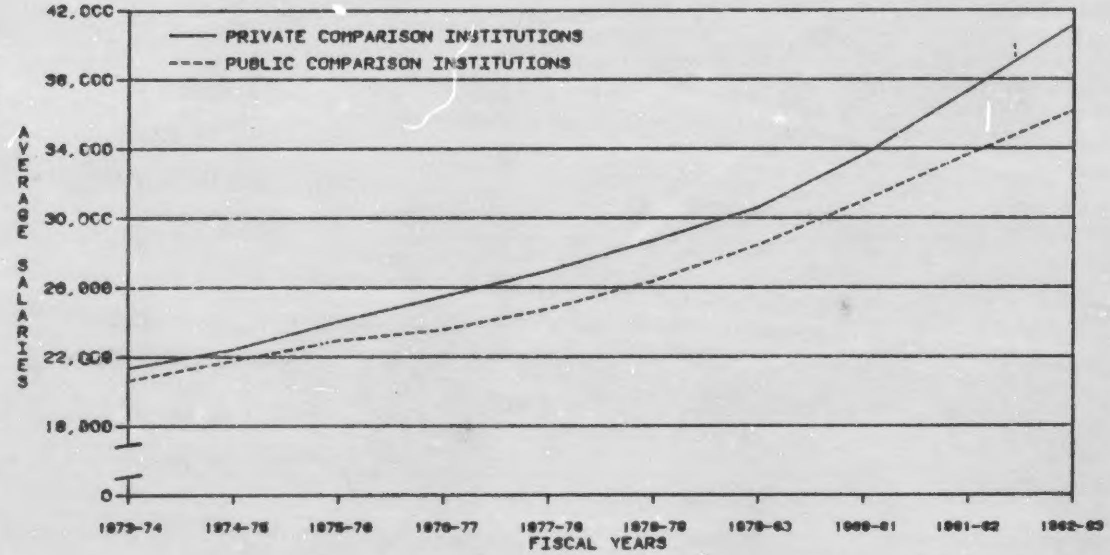
Source: Table 23.

FIGURE 10 *All-Ranks Average Salaries at the University of California and Its Eight Comparison Institutions 1973-74 to 1982-83*



Source: Table 23.

FIGURE 11 *Comparison Between the Average Salaries Paid at the University of California's Four Public and Four Private Comparison Institutions, 1973-74 to 1982-83*



Source: Table 23.

At present, the Governor's Budget contains money which will provide an increase in total compensation (both salaries and fringe benefits) of about 5 percent. Assuming normal increases in requirements for such fringe benefit elements as Social Security and medical insurance, it is probable that the currently budgeted funds will provide for about a 3 percent increase in salaries. At that amount, there is no question but that the parity figures in 1984-85 will be substantially higher than shown for 1983-84. Table 25 on page 39 shows the probable results of various possible salary actions by the Governor and the Legislature on the 1984-85 parity figures.

Table 25 requires a few additional words of explanation. The numbers presented as the parity lags are those expected to be reported by the Commission in next year's final salary report, and are therefore the differences between the "actual" salaries in a given year compared to the projected salaries for the comparison group. In the current year, for example, as Table 21 on page 32 showed, the University will need an increase of 18.5 percent to equal where the comparison institutions are expected to be in 1984-85, not where they are now. Similarly, the numbers in Table 25 show the difference between the California segments' possible salaries in 1983-84 and the comparison institutions' possible salaries in 1984-85. They are not same-year comparisons but follow the normal projection format of the Commission's salary reports.

TABLE 24 Tuition Levels at the University of California's Comparison Institutions, 1973-74 to 1982-83

	Public Institution Tuition Levels				Private Institition Tuition Levels			
Year	Buffalo	Illinois	Michigan	Wisconsin	Cornell	Harvard	Stanford	Yale
1973-74	$ 825	$ 686	$ 852	$ 600	$3,000	$3,000	$3,135	$2,900
1974-75	825	690	855	611	N/A	3,200	3,375	N/A
1975-76	825	700	904	630	3,850	3,400	3,375	4,050
1976-77	875	712	986	671	4,110	4,100	4,275	4,400
1977-78	892	814	1,078	734	4,450	4,100	4,695	4,400
1978-79	892	846	1,244	812	4,850	4,850	5,130	5,150
1979-80	995	878	1,373	877	5,306	5,300	5,595	5,550
1980-81	1,074	956	1,561	946	5,860	6,490	6,285	6,210
1981-82	1,150	1,109	1,861	984	7,050	7,490	7,140	7,150
1982-83	1,229	1,302	2,144	1,122	7,950	8,195	8,220	8,190
Avg. Incr.	4.5%	7.4%	10.8%	7.2%	11.4%	11.8%	11.3%	12.2%
1973-74 to 1977-78	2.0%	4.4%	6.1%	5.2%	10.4%	8.1%	10.6%	11.0%
1978-79 to 1982-83	8.3%	11.4%	14.6%	8.4%	13.2%	14.0%	12.5%	12.3%

Over the past five years, the University's comparison group has increased its salaries by an average of about 8.5 percent, while the State University's group has increased its salaries by about 6.9 percent. The numbers in the left-hand column of Table 25 show what could happen given increases of either 8 or 7 percent for the University's group and either 7 or 6 percent for the State University's group. These numbers are lower than experience would dictate, but it is anticipated that the reduced level of inflation will probably curb increases in other states just as it has in California.

Taking some of the specific examples in Table 25, if the University of California's comparison institutions increase their average salaries by 7 percent in 1983-84, and the Governor and the Legislature increase University salaries by 9 percent for the same year, it is probable that the parity deficiency reported by the Commission for the 1984-85 fiscal year will be approximately -14.9 percent. Taking a State University example, if its comparison group increases their average salaries by 7 percent in 1983-84, and the Governor and the Legisalture approve only a 3 percent increase, the parity deficiency for that segment next year will grow from its current level of -9.2 percent to -13.8 percent. In both cases, the California increases of between 3 and 19 percent have all been adjusted upward to reflect recent experience with merit increases and promotions. Thus the column which shows an increase of 7 percent should actually be 8.49 percent for the Univeristy and 7.19 percent for the State University. These adjustments of 1.49 and 0.19 percent have been applied to all of the potential range adjustments for the California institutions.

Two final comments may be helped in addressing potential questions about Table 25. First, the reader might well ask, if the State University has a 9.2 percent deficiency for 1983-84, and receives an 11 percent increase for that year, how can the parity deficiency remain at between 4.3 and 5.6 percent. Superficially, it would appear that if the Governor and the Legislature appropriate sufficient funds to cover more than the entire deficiency,

TABLE 25 *Potential Parity Deficiencies for the University of California and the California State University in 1983-84, Compared to Projected 1984-85 Comparison Institution Salaries*

Comparison Institution Increases, 1982-83 to 1983-84	Parity Deficiencies for UC and CSU in 1984-85 Given Specified Percentage Increases to UC and CSU, 1983-84								
	3%	5%	7%	9%	11%	13%	15%	17%	19%
UC Group Increases by:									
8%	-22.9	-20.6	-18.4	-16.3	-14.2	-12.2	-10.3	-8.4	-6.6
7%	-21.5	-19.2	-17.0	-14.9	-12.8	-10.9	- 9.0	-7.1	-5.4
CSU Group Increases by:									
7%	-13.8	-11.7	- 9.6	- 7.6	- 5.6	- 3.8	- 2.0	-0.2	+1.5
6%	-12.4	-10.3	- 8.2	- 6.2	- 4.3	- 2.5	- 0.7	+1.0	+2.7

the parity figure next year should be zero or positive. However, the comparison institutions do not stay in the same place from year to year, but continue to approve cost-of-living adjustments. Without doubt, an 11 percent increase for the State University would bring that segment to parity, and even above it in 1983-84, but the comparison methodology is principally concerned with projections, not an analysis of the status quo. When those projections are built into the figures, a parity deficiency remains for the subsequent fiscal year, in this case, between 4.3 and 5.6 percent for the 1984-85 year.

Second, given the Regents' resolution requesting removal of all parity deficiencies by the 1984-85 year, what amount would the Governor and the Legislature have to appropriate to restore true parity over the coming two-year period? Obviously, the answer to this question depends in part on what the comparison institutions do, but assuming their increases are close to those presented in Table 25, it seems likely that increases of about 12 percent for the University and 8 percent for the State University in each of the two years 1983-84 and 1984-85 will suffice to restore the historical balance.

Table 26 shows all of the segmental requests, parity figures from the Commission's salary reports, actual amounts appropriated by the Legislature and the Governor, and changes in the Consumer Price Index for the past 20 years. It will be noted from this table that the 18.5 percent lag for the University is the largest ever produced by the comparison methodology, and by a margin of 5.4 percentage points. For the State University, the deficit is the sixth largest.

Last year's final salary report presented tables and figures showing the distribution of faculty by both rank and step for the 1980-81 year at the University of California and for a five-year period at the State University. Those data indicated that the University had substantial balance among the various steps within ranks, while the State University maintained a strong concentration of faculty at the top step of each rank. That fact alone partially accounts for the fact that University average salaries increased by about 1.5 percent between 1981-82 and 1982-83 in spite of the fact that no cost-of-living adjustment was granted, while State University salaries increased by only 0.2 percent. The reason is that the University has far more room to grant merit increases than does the State University. Tables 27 and 28 on page 42, and Figures 12 and 13 on page 43 show the faculty distributions through 1982-83.

In both systems, it can be seen that a preponderance of the faculty hold the rank of full professor (55.1 percent at the University and 59.9 percent at the State University). The University's percentage is actually a bit higher than indicated above in the current year and currently stands at 59.4 percent on a headcount basis and 62.0 on a full-time-equivalent (FTE) basis. The difference between the two FTE figures of 55.1 and 62.0 percent is due to the absence of engineering and business/management faculty who have not yet been folded into the total due to the institution of a new salary schedule which has not yet been fully implemented. It is expected that the figures will be reconciled next year.

TABLE 26 Faculty Salary Increases Requested by the University of California and The California State University, Increases Required to Attain Parity with Comparison Institutions, Salary Increases Granted by the Governor and the Legislature, and Changes in the United States Consumer Price Index, 1965-66 Through 1983-84

Year	Segmental Requests		CCHE/CPEC Reports		Increases Granted		United States Consumer Price Index Increases
	UC	CSU	UC	CSU	UC	CSU	
1965-66	10.0%	10.0%	No Report		7.0%	10.7%	2.3%
1966-67	8.1	11.2	2.5	6.6	2.5	6.6	2.9
1967-68	7.5	18.5	6.5	8.5	5.0	5.0	3.6
1968-69	5.4	10.0	5.5	10.0	5.0	7.5	4.6
1969-70	5.3	5.2	5.2	5.2	5.0	5.0	5.9
1970-71	7.2	7.0	7.2	7.0	0.0	0.0	5.2
1971-72	11.2	13.0	11.2	13.0	0.0	0.0	3.6
1972-73	13.1	13.0	13.1	13.0	9.0	8.4	4.0
1973-74	6.4	7.5	6.4	8.8	5.4	7.5	9.0
1974-75	4.5	5.5	4.5	4.2	5.5	5.3	11.1
1975-76	11.0	10.4	11.0	9.7	7.2	7.2	7.1
1976-77	4.6	7.2	4.6	4.6	4.3	4.3	5.8
1977-78	6.8	8.5	5.0	5.3	5.0	5.0	6.7
1978-79	9.3	9.9	8.0	3.3	0.0	0.0	9.0
1979-80	16.0	14.4	12.6	10.1	14.5	14.5	13.3
1980-81	10.5	11.0	5.0	0.8	9.8	9.8	11.5
1981-82	9.5	17.7	5.8	0.5	6.0	6.0	8.7
1982-83	9.0	None[1]	9.8	2.3	0.0[2]	0.0[2]	4.1 (est.)
1983-84	N/A[3]	None[1]	18.5	9.2	N/A[4]	N/A[4]	4.2[5] (est.)

1. The State University Trustees did not approve a salary request for 1982-83 or for 1983-84 due to the anticipation of collective bargaining negotiations.
2. Although the Governor and the Legislature approved no general salary increase, they did approve a $50 per employee reduction in retirement contributions.
3. The Regents did not submit a specific request for 1983-84, but urged amounts sufficient to attain parity by 1984-85. This should require increases of about 12 percent in each of the 1983-84 and 1984-85 fiscal years.
4. Any increases approved will not be known until July 1, 1983.
5. Estimates by the UCLA Business Forecasting Project.

Source: Previous and current faculty salary reports of the Coordinating Council for Higher Education and the California Postsecondary Education Commission; Council of Economic Advisers, various years; and the UCLA, 1982.

TABLE 27 University of California Faculty Distribution by Rank and Step (FTE), 1982-83

Rank	1	2	3	4	5	6	7	A/S*	Totals
Professor									
Number	349	491	446	768	168	300	185	235	2,942
Percent	11.8%	16.7%	15.2%	26.1%	5.7%	10.2%	6.3%	8.0%	100.0%
Associate Professor									
Number	248	281	488	189	24	--	--	--	1,230
Percent	20.2	22.8	39.6	15.4	2.0	--	--	--	100.0
Assistant Professor									
Number	91	153	675	178	58	9	--	--	1,164
Percent	7.8	1[illegible].1	58.0	15.3	5.0	0.8	--	--	100.0
Totals									
Number	688	925	1,609	1,135	250	309	185	235	5,336
Percent	12.9%	17.3%	30.1%	21.3%	4.7%	5.8%	3.5%	4.4%	100.0%

*Advanced Steps for Distinguished Professors.

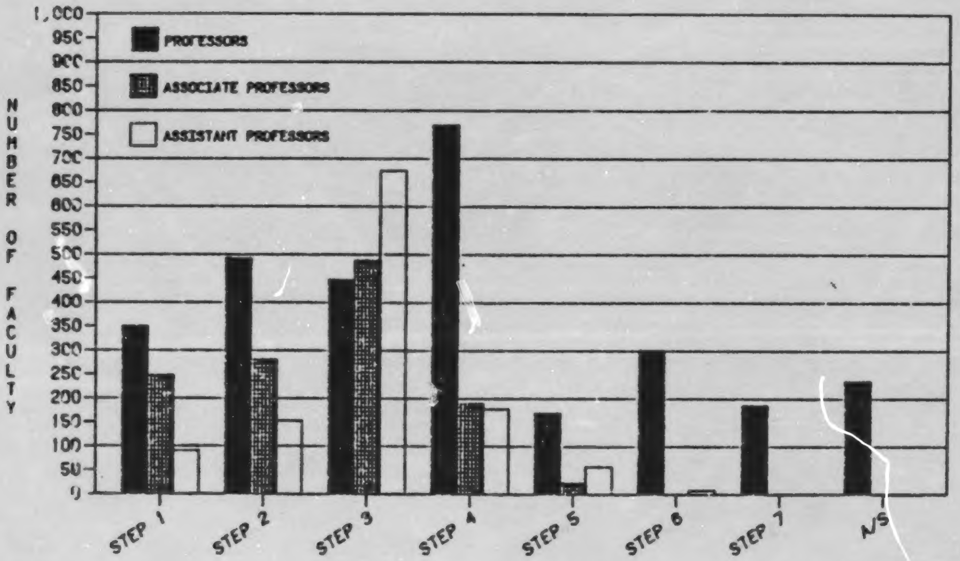
Source: University of California.

TABLE 28 California State University Faculty Distribution by Rank and Step (Headcount), 1982-83

Rank	1	2	3	4	5	Totals
Professor						
Number	435	459	467	491	4,701	6,553
Percent	6.6%	7.0%	7.1%	7.5%	71.8%	100.0%
Associate Professor						
Number	284	346	376	360	1,280	2,646
Percent	10.7	13.1	14.2	13.6	48.4	100.0
Assistant Professor						
Number	25	73	213	259	992	1,562
Percent	1.6	4.7	13.6	16.6	63.5	100.0
Instructor						
Number	19	24	32	37	63	175
Percent	10.9	13.7	18.3	21.1	36.0	100.0
Totals						
Number	763	902	1,088	1,147	7,036	10,936
Percent	7.0%	8.3%	9.9%	10.5%	64.3%	100.0%

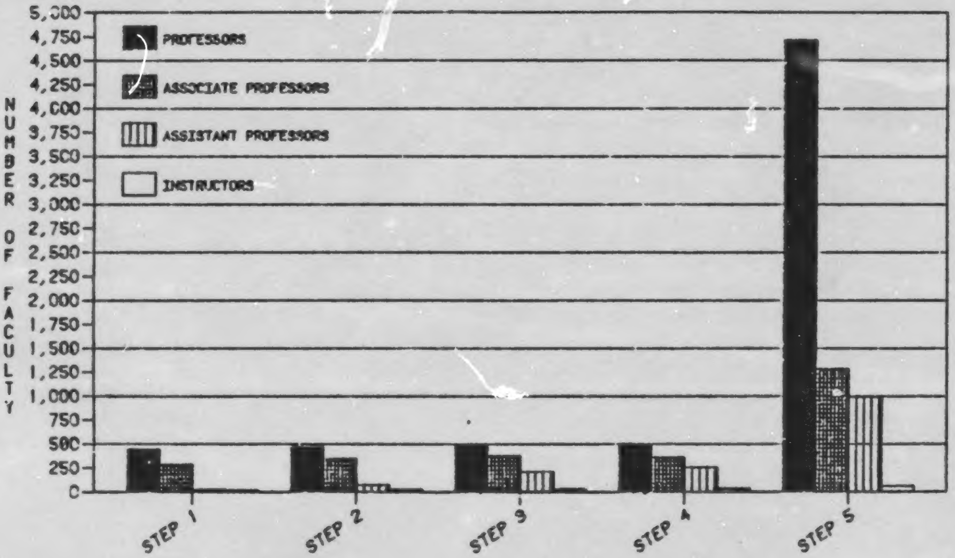
Source: California State University.

FIGURE 12 University of California Faculty Distribution by Rank and Step (by Number of Full-Time-Equivalents), 1982-83



Source: Table 27.

FIGURE 13 California State University Faculty Distribution by Rank and Step (by Number of Headcount Faculty), 1982-83



Source: Table 28.

Tables 27 and 28 clearly show the effects of very different salary administration policies in the two segments. At the University of California, the system of peer review and evaluation for merit increases and promotions is strong, and the University has attempted to distribute faculty across the steps as evenly as possible. In the State University, merit increases are virtually automatic and have been for many years, a policy which has led to severe impaction at the top step of all ranks, particularly for full professors. With the advent of collective bargaining in the latter system, it is not likely that that policy will change. In addition, where the University of California has been able to adopt a differential salary schedule for certain high-demand disciplines, faculty unions representing State University faculty have been resistent to such a change, and may well continue to object in the future.

CHAPTER FOUR

PROJECTED COST OF FRINGE BENEFITS AT THE UNIVERSITY OF CALIFORNIA, THE CALIFORNIA STATE UNIVERSITY, AND THEIR RESPECTIVE COMPARISON INSTITUTIONS

The projected 1983-84 costs of fringe benefits at the University of California and the California State University are shown in Table 29 below.

Fringe benefits for faculty consist of retirement, Social Security, unemployment insurance, Worker's Compensation, health insurance, life insurance, and disability insurance. The largest component of the benefit package is retirement, which amounts to approximately 80 percent of all countable fringe benefits at the University and 70 percent at the State University. This single factor has a profound effect on the usefulness of the data in Table 29, since the employer's cost of providing a retirement program may bear only an indirect relationship to the benefits received by the employee.

Many different types of retirement programs are, of course, in operation across the country. Some are funded by public agencies, some through private associations, and others through insurance companies. In some cases, the public retirement program is self-contained within the institution, such as the University of California Retirement System (UCRS). In other cases, the program includes public agencies outside of postsecondary education, as does the Public Employees Retirement System (PERS), which includes State University faculty and nonacademic employees along with most other State employees.

TABLE 29 All-Ranks Average Cost of Fringe Benefits Required at the University of California and the California State University to Equal the Comparison Institutions Projections for 1983-84

Institution	Cost of Fringe Benefits in 1982-83	Comparison Institution Projected Cost of Fringe Benefits in 1983-84	Projected Percentage Increase Required: 1983-84
University of California	$9,655	$7,507	-22.25%*
California State University	$9,285	$7,060	-23.96%**

*Adjusted for the effect of an 18.52 percent range adjustment.

**Adjusted for the effect of a 9.18 percent range adjustment.

Because payments to and benefits from these fringe benefit programs vary widely, it is virtually impossible to make a precise determination of the benefits received by analyzing dollar contributions. Additionally, there are the problems of vesting and portability. Some retirement systems become vested with the employee after only a year or two, while others require considerably longer. A faculty member who works in one system for four years may not yet have his benefits vested, while a faculty member in another system may enjoy the vesting benefit. An employee who leaves a retirement program prior to vesting receives no benefits in spite of the fact that payments have been made by his or her employer. Further, some retirement programs permit an employee to carry the employer's contributions with him when he goes to a new employer; others do not. This feature, generally referred to as "portability," can be a major benefit, but it is not reflected in the cost figures that are currently used to indicate the relative status of University and State University faculty vis-a-vis their comparison groups.

Another aspect of the fringe benefit analysis is the fact that not all benefits are included in the current methodology. For example, some institutions may offer (in addition to retirement programs, Social Security contributions, and medical insurance) tuition waivers or reductions for dependents, free athletic tickets, dental insurance, discounted housing, and similar perquisites. Such financial incentives may not be reflected in the comparisons at the present time since it can be very difficult to assign a monetary value to them, but they could have much to do with the overall attractiveness of a university to a prospective or continuing faculty member.

For these reasons, a caveat included in several previous salary reports should again be stressed: *the reliability of the fringe benefit data shown in Table 29 is limited and should be used with the utmost caution*. Until better data become available, the segmental view that fringe benefits for faculty should correspond to those for all other State employees is probably the most reasonable policy to follow.

CHAPTER FIVE

MEDICAL FACULTY SALARIES

This is the fifth year that the University of California has forwarded information on medical faculty salaries to the Commission, in response to Item 322 of the 1978 Conference Committee's Supplemental Report on the Budget Bill:

> The University of California shall report to the California Postsecondary Education Commission annually on (1) its full-time clinical faculty salaries and those of its comparison institutions (including a description of the type of compensation plans utilized by each UC school and each comparison institution), and (2) the number of compensation plan exceptions in effect at each UC school.

In 1979, the University selected eight comparison institutions--Stanford; the State University of New York's Upstate Medical School; the Universities of Chicago, Illinois, Michigan, Texas (Austin), and Wisconsin; and Yale--five of which were also on the comparison list for regular faculty--and also explained the procedures used to compensate faculty physicians. (These procedures, along with the specific salaries of faculty members in medicine, pediatrics, and surgery, appear in Appendix I on pages 145-174.)

For 1982-83, only seven of these institutions reported, the Upstate Medical School of the State University of New York (SUNY) declining to participate. This marks the third straight year SUNY data have been absent. In the future, SUNY will not be included in the survey and an adequate replacement will be sought.

Table 30 on page 48 shows the University of California's position relative to the institutions reporting data in the above-named specialities.

In the past year, the University gained ground in one category (moving from fifth to fourth for assistant professors of surgery), lost ground in seven categories and remained in the same position (fourth) for assistant professors of medicine. None of the losses was by more than two positions (e.g., associate professors of pediatrics moved from second to fourth place), and all of the downward movement seems to be accounted for by the absence of a cost-of-living adjustment in the current year, 1982-83. The actual salaries paid are shown in Table 31 on page 49. For comparison purposes, Table 31 also shows the salaries paid to general campus faculty along with annual changes in the Consumer Price Index and the Implicit Price Deflator for Personal Consumption Expenditures. (It should be remembered that the figures for general campus faculty are for nine months of employment, compared to eleven which is standard for medical faculty.)

The base salary schedule for medical faculty comprises only part of the total compensation package. The differences in compensation shown in Table

31 are based on differential fee rates for each specialty and the amount of time devoted to clinical practice. The salary schedule is shown in Table 32. It is the same as for regular 11-month faculty.

Under the "Unified Clinical Compensation Plan" in which most medical faculty participate, professors are permitted to earn 2.1 times more than their base salary, associate professors 2.3 times their base salary, and assistant professors 2.5 times their base salary. Thus, an associate professor at the fourth step would earn a base salary of $34,800 and could make an additional $80,040 for a total of $114,840. Once the faculty member reaches the maximum, any additional clinical fees he or she makes must be returned to the University. Further, because the University operates under a sliding scale whereby an increasing portion of fees must be returned to the University as the physician approaches the compensation limit, there are serious disincentives built into the system to spending an excessive amount of time on medical practice.

The data contained in this chapter place the University of California at the lower middle of its comparison group, a position which indicates some losses over last year. Nevertheless, it seems fair to state that the University remains in a competitive position, at least for the present.

TABLE 30 Ranking of University of California Medical Faculty Salaries in Relation to Comparison Institutions, 1979-80 to 1982-83

Rank and Specialty	1979-80	1980-81	1981-82	1982-83
Medicine				
Professor	2	3	3	4
Associate Professor	2	4	4	6
Assistant Professor	2	2	4	4
Pediatrics				
Professor	3	1	2	3
Associate Professor	3	2	2	4
Assistant Professor	2	4	3	6
Surgery				
Professor	2	3	2	4
Associate Professor	4	3	4	5
Assistant Professor	5	5	5	4

Source: University of California Survey.

TABLE 31 Average Medical Faculty Salaries at the University of California and Comparison Institutions, and Regular Nine-Month Faculty Salaries at the University of California, 1979-80 to 1982-83

Specialty and Rank	1979-80	1980-81	1981-82	1982-83	Three-Year Gain	Ave. Yearly Gain
Medicine						
Professor						
Univ. of Calif.	$68,028	$ 76,067	$ 86,163	$ 86,545	27.2%	8.4%
Comparison Inst.	66,599	73,543	83,792	88,691	33.2	10.0
Associate Professor						
Univ. of Calif.	56,557	60,979	64,160	64,206	13.5	4.3
Comparison Inst.	53,444	56,865	64,755	68,795	28.7	8.8
Assistant Professor						
Univ. of Calif.	46,228	51,550	53,485	55,100	19.2	6.0
Comparison Inst.	43,966	47,408	52,425	55,117	25.4	7.8
Pediatrics						
Professor						
Univ. of Calif.	$68,028	$ 73,311	$ 81,471	$81,751	20.2%	6.3%
Comparison Inst.	61,905	65,203	72,327	80,142	29.5	9.0
Associate Professor						
Univ. of Calif.	54,401	58,550	60,980	61,460	13.0	4.2
Comparison Inst.	49,724	52,657	57,224	61,845	24.4	7.5
Assistant Professor						
Univ. of Calif.	45,005	44,719	47,439	49,418	9.8	3.2
Comparison Inst.	40,044	42,782	46,562	49,747	24.2	7.5
Surgery						
Professor						
Univ. of Calif.	$98,152	$109,773	$118,569	$132,744	35.2%	10.6%
Comparison Inst.	88,703	101,729	110,737	124,886	40.8	12.1
Associate Professor						
Univ. of Calif.	70,509	80,216	94,472	94,681	34.3	10.4
Comparison Inst.	71,094	81,283	91,325	95,826	34.8	10.5
Assistant Professor						
Univ. of Calif.	63,054	69,886	73,622	77,447	22.8	7.1
Comparison Inst.	61,340	63,128	72,475	74,754	21.9	6.8
Regular University of California Faculty						
Professor	$34,947	$ 38,330	$ 41,016	$41,645	19.2%	6.0%
Associate Professor	23,535	25,466	27,256	27,664	17.5	5.5
Assistant Professor	19,329	21,214	22,572	22,820	18.1	5.7
Consumer Price Index*	232.7	259.4	281.7	293.4	26.1%	8.0%
Implicit Price Deflator for Personal Consumption Expenditures**	170.4	186.4	200.0	210.8	23.7%	7.4%

*Index values are based on a 1967 value of 100.
**Index values are based on a 1972 value of 100.

Source: University of California Survey.

TABLE 32 Base Salaries for Medical Faculty at the University of California, 1982-83

Rank	Annual Salary by Step						
	1	2	3	4	5	6	7
Professor	$34,900	$38,600	$42,700	$46,600	$50,600	$54,800	$59,600
Associate Professor	28,600	30,200	32,100	34,800	38,500		
Assistant Professor	22,900	23,800	25,200	26,800	28,500	30,100	

Source: 1983-84 Governor's Budget.

CHAPTER SIX

ADMINISTRATIVE SALARIES AT THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY, 1982-83

During the 1981 Legislative Session, the Budget Conference Committee adopted the following supplemental language to the Budget Bill:

> It is the intent of the Legislature that the California Postsecondary Education Commission include in its annual report on faculty salaries and fringe benefits comparative information on salaries of administrators within the University of California and the California State University and Colleges.

The only other study of administrators' salaries was conducted by the Coordinating Council for Higher Education in 1968 for the 1968-69 academic year (Council Report No. 1031). It included data from the respective comparison institutions of the University and State University on five academically related administrative positions--(1) department chairmen and heads, (2) division chairmen and associate deans, (3) academic deans, (4) vice-presidents and vice-chancellors, and (5) librarians--and attempted to show the relationship between administrators' salaries and faculty salaries. Since then, neither the Council nor the Commission has been requested to gather administrative salary data--with the exception of a special study on librarians' salaries released by the Commission in May 1978.

This chapter seeks to describe administrators' salaries at the University and the State University within the context of salaries paid to comparable individuals across the country, both at the comparison institutions for both institutions, and from almost 1,500 institutions surveyed annually by the College and University Personnel Association (CUPA). Several limitations of this analysis need to be specified, however:

1. Except for systemwide chief executives, this report does not deal with central office administrators in the systemwide administration of the University of California or the Chancellor's Office of the California State University. The reasons are twofold: (1) CUPA does not collect such data; and (2) systemwide officers around the country are sufficiently dissimilar to those in California that viable comparisons are not possible.

2. The report covers 20 positions in each of the four-year segments, ranging from the systemwide chief executives to a selected group of academic deans. For three reasons, it does not compare all 94 administrative positions covered in the CUPA survey (listed in Appendix J on pages 177-178): (1) some of the 94 CUPA positions are not strictly comparable to those in California institutions; (2) others, where they are comparable, involve very few individuals in California (such as Director, News Bureau; or Director, Campus Recreation/Intramurals); and (3) a few are of

a highly specialized nature inapplicable to general campuses (such as Administrator, Hospital Medical Center).

3. The report covers only the 1982-83 fiscal/academic year. Although University, State University, and CUPA data are available for prior years, they are available from the segmental comparison institutions only for 1980-81. In future years, when more data are accumulated, it will be possible to show multi-year trends.

4. Finally, strict comparisons between CUPA's total group of 278 public universities and the University of California or the California State University is probably inadvisable. The group of institutions included by CUPA as "universities" are on the average substantially lower in quality than the University of California and somewhat lower than the State University.*

The first two sections of this chapter present data for University and State University positions, respectively, the salaries paid for these positions by the respective segmental comparison institutions, and the salaries paid by 54 CUPA "public universities" enrolling 20,000 or more students. This category of CUPA data was chosen not because all campuses in either the University or the State University are this large, but because the CUPA "Universities" group as a whole is of a lower average quality than California's public four-year colleges and universities. Using the larger members of the CUPA group tends to restore balance and create greater comparability. The third section includes observations on the reliability of the data together with a discussion of specific problems. Then in the Appendices, Appendix J lists all administrative positions covered in the CUPA survey, and Appendix K on pages 179-180 contains a basic job description for each position covered in this report.

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*CUPA's category of "universities" appears to be only roughly comparable to Category I (doctoral degree granting institutions) used by the American Association of University Professors (AAUP). In fact, it is really a composite, although an incomplete one, of the AAUP's Category I and other classifications. Of CUPA's 418 public and private "universities," about 40 percent are in the AAUP's Category I, another 40 percent in Category II (master's degree granting), 6 percent in Category IIB (baccalaureate degree granting), and 14 percent in other categories, including two-year institutions, systemwide offices, and some which are undesignated by CUPA.

In contrast, all eight of the University of California's comparison institutions are Category I universities, and certainly fall very near the top, in terms of academic reputation, of this category. Of the 20 California State University comparison institutions, 17 are AAUP Category I universities, with the remainder in Category IIA.

UNIVERSITY OF CALIFORNIA ADMINISTRATORS' SALARIES

Positions selected for comparison in the University of California include the following:

1. Chief Executive Officer/System
2. Chief Executive Officer/Single Institution
3. Chief Academic Officer
4. Chief Business Officer
5. Director of Personnel/Human Resources
6. Chief Budget Officer
7. Director of Library Services
8. Director of Computer Services
9. Director of Physical Plant
10. Director of Campus Security
11. Director of Information Systems
12. Director of Student Financial Aid
13. Director of Athletics
14. Dean of Agriculture
15. Dean of Arts and Sciences
16. Dean of Business
17. Dean of Education
18. Dean of Engineering
19. Dean of the Graduate Division
20. Dean of Undergraduate Programs

Table 33 on page 54 presents a comparison between University salaries and salaries paid in its comparison group. The San Francisco campus is excluded in all cases due to its specialized nature.

For most positions, the comparison group pays higher salaries than the University, the exceptions being Chief Executive Officer/System, Director of Library Services, Director of Student Financial Aid, and Dean of Agriculture. Of the 20 positions listed, the University pays more in 4 and less in 16.

When compared to the public universities with 20,000 or more students surveyed by CUPA (Table 34, page 55), the University has a clear salary advantage paying more in 14 cases, less in four, and the same in one. CUPA reported no data for the remaining position (Dean of Undergraduate Programs).

Recently, a number of comments have been made about the inflexibility of the University of California's salary schedules for both faculty and administrators. These comments have been noted as well for the State University in the faculty section of this report, and have been directed in particular to the problem of recruiting faculty in certain high-demand disciplines such as business/management, engineering, and computer science. For administrators, the inflexibility of salary schedules presents a similar problem, although at the University of California at least, certain positions do have much broader ranges than others. Table 35 on page 56 shows the ranges for a number of positions at the University, and Table 36 on page 57, the ranges at the comparison institutions for all 20 positions surveyed for this report. It will be noted that where the University's positions have ranges between the lowest and highest steps of anywhere from 20.0 to 186.6 percent, most of the comparison institutions have no ranges at all for any positions. Undoubtedly, the lack of published schedules in the ten comparison universities allows administrators and Boards of Trustees much greater opportunities to accommodate salaries to current market conditions.

TABLE 33 Selected Administrative Salaries at the University of California and Ten Comparison Institutions, 1982-83*

Administrative Title	Univeristy of California	Ten Institutions	Percent UC Leads Comparison Institutions
Chief Executive Officer/System	$94,300	$88,300	+6.8%
Chief Executive Officer/ Single Institution	76,400	89,000	-14.2
Chief Academic Officer	63,700	82,500	-22.8
Chief Business Officer	64,300	71,900	-10.6
Director of Personnel/ Human Resources	49,200	52,100	-5.6
Chief Budgeting Officer	49,700	57,500	-13.6
Director of Library Services	57,100	56,200	+1.6
Director of Computer Services	51,400	53,600	-4.1
Director of Physical Plant	50,700	55,100	-8.0
Director of Campus Security	42,300	44,000	-3.2
Director of Information Systems	48,900	60,000	-18.5
Director of Student Financial Aid	44,700	40,000	+11.8
Director of Athletics	55,100	57,600	-4.3
Dean of Agriculture	69,000	66,300	+4.1
Dean of Arts and Sciences	65,000	73,500	-11.6
Dean of Business	68,900	75,700	-9.0
Dean of Education	55,600	65,200	-14.7
Dean of Engineering	61,600	69,600	-11.5
Dean of the Graduate Division	61,600	66,500	-7.4
Dean of Undergarduate Programs	50,800	57,000	-10.9

*Comparison institutions are Cornell University, Harvard University, Stanford University, the State University of New York, the Universities of Illinois, Michigan (Ann Arbor), Missouri, Texas, Wisconsin (Madison), and Yale University. All but Missouri and Texas are comparison institutions for the faculty salary surveys.

Source: University of California Survey.

It will be noted from Table 36 on page 57 that none of the University's ten institutions has a complete schedule for all positions. The closest is Institution No. 1, which lists ranges for 13 of the 20 involved. Next highest is Institution No. 4 with five listings. No other institution has more than three, and four of them list no ranges for any position. Further, with the notable exception of Institution No. 4, virtually all the listed ranges are very broad (between a 57.7 and a 189.0 percent difference from low to high step), a fact which allows almost as much flexibility as afforded by the absence of a range.

TABLE 34 Selected Administrative Salaries at the University of California and the CUPA "Public Universities With 20,000 or More Students," 1982-83

Administrative Title	University of California	54 CUPA "Public Universities With 20,000 or More Students"	Percent UC Leads CUPA Group
Chief Executive Officer/ System	$94,300	$80,358	+17.4
Chief Executive Officer/ Single Institution	76,400	76,000	+0.5
Chief Academic Officer	63,700	69,480	-8.3
Chief Business Officer	64,300	61,800	+4.1
Director of Personnel/ Human Resources	49,200	43,800	+12.3
Chief Budgeting Officer	49,700	46,640	+6.6
Director of Library Services	57,100	54,000	+5.7
Director of Computer Services	51,400	51,400	0.0
Director of Physical Plant	50,700	47,050	+7.8
Director of Campus Security	42,300	39,264	+7.7
Director of Information Systems	48,900	48,000	+1.9
Director of Student Financial Aid	44,700	37,500	+19.2
Director of Athletics	55,100	58,300	-5.5
Dean of Agriculture	69,000	64,450	+7.1
Dean of Arts and Sciences	65,000	63,300	+2.7
Dean of Business	68,900	63,600	+8.3
Dean of Education	55,600	57,250	-2.9
Dean of Engineering	61,600	66,500	-7.4
Dean of the Graduate Division	61,600	60,000	+2.7
Dean of Undergarduate Programs	50,800	N/A	N/A

Source: University of California Survey.

TABLE 35 Salary Ranges for Selected Administrative Positions, University of California, 1980-81

Administrative Title	Salary Range	Percentage Difference Between Highest and Lowest Steps
Chancellor	$5,208-$6,250	20.0%
Coordinator (functional area)	2,667-4,117	54.4
Vice Chancellor	3,208-5,667	76.7
Assistant Vice Chancellor	2,483-4,500	81.2
Director (functional area)	2,575-5,833	126.5
Provost	2,142-4,958	131.5
Dean	2,733-7,833	186.6

Source: 1983-84 Governor's Budget.

CALIFORNIA STATE UNIVERSITY ADMINISTRATORS' SALARIES

The 20 positions selected for comparison in the California State University system are almost identical to those selected for the University of California. The only exception is the University position of Director of Information Systems, and the State University position of Director of Institutional Research. (The fact that the two lists are not identical is due to differing organizational plans and classification structures in the two segments.)

This year, the Chancellor's Office conducted a formal survey of its 20 comparison institutions to determine salaries paid for comparable positions in its system. This survey produced usable data from between 1 and 15 institutions for each position. As should be expected, not all of the State University's comparison institutions had directly comparable titles; a few were unable to provide the requested information in a timely fashion; and a few others were unwilling to participate, primarily due to concerns about confidentiality. The number of campuses reporting data for each position is indicated in Table 37 on page 59.

Table 37 shows the actual salaries paid to administrators in both the State University and its comparison group. For the 20 positions surveyed, the State University pays more in 6 cases and less in 13 (data were unobtainable for undergraduate deans). State University salaries are somewhat higher than those in the comparison universities for Chief Executive Officers for

TABLE 36 Summary of 1982-83 Salary Schedules Reported by the University of California's Ten Comparison Institutions

Administrative Title	Institution Code*	Annual Salary Range Minimum-Maximum	Percentage Range
Chief Executive Officer/ Multi-Campus System	1-10	None	--
Chief Executive Officer/ Single Institution	1-10	None	--
Chief Academic Officer	1	$30,900-59,600	92.9%
	4	68,000-85,500	25.7
	All Other	None	--
Chief Business Officer	1	30,900-59,600	92.9
	4	59,500-65,800	10.6
	All Other	None	--
Director, Personnel/ Human Resources	1	16,000-44,700	179.4
	3	42,600-68,100	59.9
	4	48,500-53,400	10.1
	6	35,800-66,100	84.6
	8	27,900-44,000	57.7
	All Other	None	--
Chief Budgeting Officer	1	15,500-44,800	189.0
	3	38,700-61,900	59.9
	All Other	None	--
Director, Library Services	1	20,000-53,800	169.0
	4	57,700-60,300	4.5
	All Other	None	--
Director, Computer Center	1	15,500-44,700	188.4
	2	42,000-51,000	21.4
	8	36,300-57,200	57.6
	All Other	None	--
Director, Physical Plant	1	15,500-44,700	188.4
	6	35,800-66,100	84.6
	8	33,300-52,500	57.7
	All Other	None	--

(continued)

TABLE 36 (continued)

Administrative Title	Institution Code*	Annual Salary Range Minimum-Maximum	Percentage Range
Director, Campus Security	1	15,500-44,700	188.4
	4	42,400-54,800	29.2
	6	28,400-52,300	84.2
	8	25,600-40,400	57.8
	All Other	None	--
Director, Information Systems	3	51,600-82,400	59.7
	4	36,500-52,200	43.0
	6	28,400-52,300	84.2
	8	27,900-44,000	57.7
	All Other		
Director, Student Financial Aid	1	15,500-35,400	128.4
	8	23,400-36,900	57.7
	All Other	None	--
Director Athletics	1-10	None	--
Dean of Agriculture	1-10	None	--
Dean of Arts and Sciences	1	30,900-53,800	74.1
	All Other	None	--
Dean of Business	1-10	None	--
Dean of Education	1	30,900-53,800	74.1
	All Other	None	--
Dean of Engineering	1	30,900-53,800	74.1
	All Other	None	--
Dean of Graduate Programs	1	30,900-53,800	74.1
	All Other	None	--
Dean of Undergraduate Programs	1-10	None	--

*The University of California has ten comparison institutions for the purposes of the administrators' salary report. All data received from these institutions are provided by them only if confidentiality is maintained. Accordingly, they are listed here only by number.

Source: University of California survey, 1982-83.

TABLE 37 *Selected Administrative Salaries at the California State University and its Comparison Institutions*, 1982-83*

Administrative Title	California State University		Comparison Institutions		Percent CSU Leads Comparison Institutions
Chief Executive Officer/ System	$80,000	(1)	$78,127	(3)	+2.4%
Chief Executive Officer/ Single Institution	69,613	(19)	66,657	(15)	+4.4
Chief Academic Officer	53,879	(19)	62,256	(15)	-13.5
Chief Business Officer	47,795	(19)	57,211	(11)	-16.5
Director of Personnel/ Human Resources	35,243	(17)	38,929	(15)	-9.5
Chief Budgeting Officer	36,676	(12)	46,620	(11)	-21.3
Director of Computer Services	45,335	(17)	44,639	(13)	+1.6
Director of Library Services	47,587	(18)	49,138	(14)	-3.2
Director of Institutional Research	44,429	(13)	40,325	(11)	+10.2
Director of Physical Plant	38,711	(16)	44,089	(15)	-12.2
Director of Campus Security	38,289	(19)	31,906	(14)	+20.0
Director of Student Financial Aid	36,845	(15)	32,849	(15)	+12.2
Director of Athletics	41,338	(12)	45,884	(9)	-9.9
Dean of Agriculture	48,072	(5)	58,981	(4)	-18.5
Dean of Arts and Sciences	47,933	(16)	54,647	(15)	-12.3
Dean of Business	47,933	(16)	56,796	(14)	-15.6
Dean of Education	47,220	(15)	53,855	(15)	-12.3
Dean of Engineering	48,072	(9)	61,620	(7)	-22.0
Dean of the Graduate Division	47,148	(7)	53,986	(11)	-12.7
Dean of Undergraduate Programs	48,072	(6)	N/A		N/A

*Comparison institutions are Bowling Green State University, Illinois State University, Indiana State University, Iowa State University, Miami University (Ohio), Northern Illinois State University, Portland State University, Southern Illinois University, State University of New York (Albany), State University of New York (Buffalo College of Arts and Sciences), Syracuse University, University of Colorado, University of Hawaii, University of Nevada, University of Oregon, University of Southern California, University of Wisconsin (Milwaukee), Virginia Polytechnic Institute and State University, Wayne State University, and Western Michigan University.

Source: California State University Survey.

both the system and the campuses, Director of Campus Security, Director of Student Financial Aid, Director of Computer Services, and Director of Institutional Research, ranging from 20.0 percent (for the Director of Campus Security) to 1.6 percent (for the Director of Computer Services) more than the average for the comparison group.

In most cases, however, the State University pays less than its comparison group, and substantially less for deans where the deficit averages 15.6 percent. This is a marked change from the 1980-81 survey when the deficit was only 7.0 percent, and certainly reflects the fact that no cost-of-living adjustment was granted for 1982-83. Taking just those positions where the differential between the State University and its comparison group is more than 10 percent (and including the 10.2 percent differential for Directors of Institutional Research within that 10 percent category), the State University pays higher salaries in only two categories (campus security directors at 20.0 percent and financial aid directors at 12.2 percent) and lower ones in ten. Using the standard for 1980-81, the State University had advantages for four positions and deficits for five, with three of the latter being under 11 percent.

Table 38 on page 61 compares State University salaries to CUPA data. Compared to the public universities enrolling 20,000 or more students, the State University leads in only 1 of the 19 position categories. In 1980-81, it led in 7 of the 24 positions surveyed and trailed in 17.

Comparing the same positions for both 1980-81 and 1982-83 shows that the State University lost ground to the CUPA group shown in Table 38 in 17 of the 19 position categories for which data are available in both years, and usually be substantial margins. Table 39 shows the changes.

OBSERVATIONS AND COMMENTS

Although the legislative language which directed the Commission to explore administrators' salaries required neither conclusions nor recommendations, it is still possible to offer a few observations on the data presented in this report.

In evaluating the data, the Commission believes that greater weight should be given to the comparison institution data than to the CUPA data. Very broad surveys such as that conducted by CUPA tend to be imprecise in the sense that they fail to reflect the specific missions and functions of the California campuses. This fact was recognized long ago with respect to faculty salaries, and led to the formation of lists of comparison institutions where institutional goals, breadth of program, and academic quality could be evaluated on a campus-by-campus basis. Even the institutional categorizations used by the American Association of University Professors (AAUP), which contain more specific criteria for inclusion in each category, were deemed insufficient for California comparisons because of their generality.

TABLE 38 Selected Administrative Salaries at the California State University and CUPA "Public Universities With 20,000 or More Students," 1982-83

Administrative Title	California State University	54 CUPA "Public Universities With 20,000 Or More Students"	Percent CSU Leads CUPA Group
Chief Executive Officer/ System	$80,000	$80,358	-0.5
Chief Executive Officer/ Single Institution	69,613	76,000	-8.4
Chief Academic Officer	53,879	69,480	-22.5
Chief Business Officer	47,795	61,800	-22.7
Director of Personnel/ Human Resources	35,243	43,800	-19.5
Chief Budgeting Officer	36,676	46,630	-21.4
Director of Computer Services	45,335	51,400	-11.8
Director of Library Services	47,587	54,000	-11.9
Director of Institutional Research	44,429	38,044	+16.8
Director of Physical Plant	38,711	47,050	-17.7
Director of Campus Security	38,289	39,264	-2.5
Director of Student Financial Aid	36,845	37,500	-1.8
Director of Athletics	41,338	58,300	-29.1
Dean of Agriculture	48,072	64,450	-25.4
Dean of Arts and Sciences	47,933	52,640	-8.9
Dean of Business	47,933	63,600	-24.6
Dean of Education	47,220	57,250	-17.5
Dean of Engineering	48,072	66,500	-27.7
Dean of the Graduate Division	47,148	60,000	-21.4
Dean of Undergraduate Programs	48,072	N/A	N/A

Source: California State University Survey.

Nevertheless, the CUPA data provide an organizational framework for the study of administrative salaries. The positional definitions adopted by CUPA are in general use throughout the country, and that has made it far easier to make comparisons of specific positions. Without that uniformity, it would have been far more difficult for the University and the State University to obtain the comparison institution data used in this report. The definitions have allowed analysts everywhere to have some assurance that they are all talking about the same personnel.

TABLE 39 Percentage Differentials Between the California State University and the CUPA "Public Universities With 20,000 or More Students" Category, 1980-81 and 1982-83

	Percent CSU Leads CUPA Group	
Administrative Title	1980-81	1982-83
Chief Executive Officer/System	+16.5%	- 0.5%
Chief Executive Officer/ Single Institution	- 3.7	- 8.4
Chief Academic Officer	-11.5	-22.5
Chief Business Officer	-16.1	-22.7
Director of Personnel/ Human Resources	-12.1	-19.5
Chief Budgeting Officer	-11.1	-21.4
Director of Computer Services	+ 9.4	-11.8
Director of Library Services	- 7.6	-11.9
Director of Institutional Research	+10.0	+16.8
Director of Physical Plant	- 9.3	-17.7
Director of Campus Security	+ 3.4	- 2.5
Director of Student Financial Aid	+ 9.0	- 1.8
Director of Athletics	-22.8	-29.1
Dean of:		
Agriculture	-16.8	-25.4
Arts and Sciences	-12.3	- 8.9
Business	-14.5	-24.6
Education	- 8.5	-17.5
Engineering	-17.6	-27.7
Graduate Division	-14.6	-21.4
Undergraduate Division	+ 2.1	N/A

Source: College and University Personnel Association, 1981 and 1983; and California State University surveys of 1981 and 1983.

UNIVERSITY OF CALIFORNIA

In 1980-81, the positions selected for comparison at the University of California did not show a clear pattern of advantage of disadvantage over those in the ten comparison institutions. At the same time, it appeared that the University did have a clear advantage over the CUPA "Public Universities With 20,000 or More Students" group. Now, two years later, the University is behind in most position categories vis-a-vis its comparison group and has a substantially reduced advantage over the CUPA group. In many ways, this decline parallels that in faculty salaries, and can look to the same event for its cause, the absence of a range adjustment for all State employees in 1982-83. Unlike faculty salaries, where many years of experience has enabled the Commission to establish trend lines and predict future salary levels in the comparison groups, no such forecasting mechanism exists for administrators at the present time, and will not until several years of data have been accumulated. CUPA data could be used to gauge multi-year experiences, but as noted above, the Commission does not consider the CUPA data to be nearly as representative and accurate as the comparison institution data. In spite of this, however, it does seem likely that the percentage increases granted each year to administrators are probably not far from the amounts granted to faculty, and if that assumption proves correct in future years, it is probable that administrators--as well as faculty--will continue to lose ground unless a substantial increase is granted for 1983-84. As noted in Chapter Three of this report, such an increase does not appear likely to be approved.

CALIFORNIA STATE UNIVERSITY

A similar decline between 1980-81 and 1982-83 is observable for the State University. With the exception of academic deans, the State University was at approximate parity with its comparison group in 1980-81 as well as with the CUPA group. In 1982-83, there are major lags with respect to almost all CUPA positions, and the deans are even further behind, as high as 27.7 percent in the case of deans of engineering and also in the 20 or more percent in arrears category in four of the remaining six positions. For the past several years, the State University has requested additional funding for dean-level positions. The absence of adjustments in their salaries has certainly allowed their competitive position to deteriorate even further. As with the University of California, the absence of a substantial range adjustment for all administrators, and especially for deans, will doubtless cause that position to be further eroded.

CHAPTER SEVEN

FINDINGS AND CONCLUSIONS

Previous chapters of this report contain discussion and analyses of faculty and administrators' salaries at the University of California and the California State University and of medical faculty salaries at the University. They also present an overview of economic conditions both nationally and in California with particular attention paid to California's continuing revenue and budgetary malaise, competition from both university and industrial sectors for faculty in high-demand disciplines, the salaries paid to professionals in other fields, and the cost of fringe benefits in the four-year segments' comparison institutions. Ordinarily, this report would also contain an analysis of faculty salaries in the California Community Colleges, but the recent fire at the Chancellor's Office caused a delay in submission of these data. That report will be issued in June.

On the basis of previous chapters, the Commission offers the following findings and conclusions:

UNIVERSITY OF CALIFORNIA GENERAL CAMPUS FACULTY

1. In the current year, 1982-83, University of California faculty salaries are 9.4 percent lower than the all-ranks average salary in their eight comparison institutions. This represents a further deterioration from the 2.0 percent deficit reported for 1981-82.

2. Projected 1983-84 salaries at the comparison institutions indicate the need for a 18.5 percent faculty salary increase at the University to achieve parity. This is the highest parity lag ever reported for the University in the 18-year history of the Commission's salary reports, and by a margin of over 5 percentage points.

3. Because of intense competition from both business and industry and from other universities similar in scope, function, and quality to the University of California, the Regents adopted a separate salary schedule for business/management, engineering, and some computer science faculty--a schedule which took effect in 1982-83. At this juncture, there has not been sufficient experience with this schedule to determine its effect on recruitment and retention of faculty in these high-demand disciplines.

4. To a very great extent, the 18.5 percent parity lag for University of California faculty is caused by the fact that, as groups, the private universities have granted far larger increases in recent years than have the public universities. In the current 1982-83 year, the University's lag behind the entire comparison group is 9.4 percent. With respect to the public institutions, that lag is only 2.3 percent, whereas the University trails the private universities by 16.5 percent. Much of the difference, and the financial ability of the private institutions to

create that difference stems from the fact that they have increased tuition by 170.5 percent in the past nine years. By contrast, the Consumer Price Index has increased 101.8 percent. The four private universities (Cornell, Harvard, Stanford, and Yale) also have substantial endowments, the income from which has undoubtedly assisted their overall financial well being. For balance, however, it should also be observed that the public institutions in the University's comparison group are mostly in states which have been hit very hard by the recent recession (the Universities of Illinois, Michigan, and Wisconsin, and the State University of New York at Buffalo). Many other public universities around the country are faring better than these, and better than the University of California as well.

UNIVERSITY OF CALIFORNIA ADMINISTRATORS

1. This is the second report on administrators submitted by the Commission (the first applied to the 1980-81 fiscal year) and it is clear that the University has lost substantial ground in the intervening two-year period. In comparing 20 positions at the University with its comparison universities, it is apparent that University of California administrators are paid less in most categories. Compared to the College and University Personnel Assocation's group of large universities, the University leads in most position categories, although by considerably less than it did two years ago.

UNIVERSITY OF CALIFORNIA MEDICAL FACULTY

1. In the current year 1982-83, University of California medical faculty ranked in the upper third of their comparison group in both salaries and clinical fees. In the current year 1982-83, however, they rank at about the mean; being neither first nor last at any rank or specialty. This decline appears to parallel the deterioration in compensation levels for general campus faculty and administrators.

2. The relatively high salaries paid to medical faculty in comparison to general campus faculty are not the result of special salary schedules, since most medical faculty are paid on the same scale as 11-month general campus faculty. The higher salaries are produced by clinical fees charged to patients at University hospitals. On the average, this fee income amounts to approximately $50,000 to $55,000 for full professors, $45,000 to $50,000 for associate professors, and $35,000 to $40,000 for assistant professors.

CALIFORNA STATE UNIVERSITY FACULTY

1. In the current year, 1982-83, California State University faculty salaries are 2.4 percent lower than the all-ranks average salary in their 20 comparison institutions, compared to a State University lead of 4.0 percent in 1981-82.

2. Projected 1983-84 salaries at the comparison institutions indicate the need for a 9.2 percent faculty salary increase at the State University to achieve parity. Last year's figure was 2.3 percent.

3. Like the University of California, the State University has had increasing difficulty recruiting professors in certain high-demand disciplines, especially computer science, engineering, architecture, and business administration. Although the Trustees have made several attempts to improve their salaries for faculty in these disciplines, sufficient funding has not yet been provided. As a result, a number of appointments have been made above the assistant professor level, some with both higher ranks and salaries and some with only higher salaries. At present, these actions have not relieved the shortages, and according to two recent Commission reports (1982, 1983), the danger exists that some State University engineering schools will not be able to function for more than about five years without substantial compensation increases.

4. Impaction at the top step of the professorial ranges continues to be a problem at the State University. In the six-year period that records have appeared in the Commission's salary reports, the percentage of faculty occupying the top step has increased each year and now stands at 64.3 percent. This compares to the 63.1 percent figure reported last year and the 55.3 percent figure in 1977-78. The principal reasons for the impaction are the State University's policy of virtually automatic advancement from step to step at each professorial rank and the limited number of steps available--five at each rank.

CALIFORNIA STATE UNIVERSITY ADMINISTRATORS

1. State University nonacademic administrators have lost some ground in the past two years vis-a-vis their comparison group and also in comparison to the large university group reported by the College and University Personnel Association (CUPA). In 1980-81, the State University maintained a 1.0 percent lead for the group of 14 positions in its comparison group. In 1982-83, there is now a 2.7 percent deficit for 13 positions (11 positions were the same in both years). The State University's greatest lead for any position is for Director of Campus Security at +20.0 percent. The greatest deficit is for Chief Budgeting Officer at -21.3 percent.

2. Of the seven dean-level positions surveyed, data were obtained for six, and the State University was substantially behind in all of them, ranging from a low of -12.3 percent for deans of arts and sciences and deans

of education to a high of -22.0 percent for deans of engineering. The average deficit for the six dean positions is -15.6 percent. For several years, the State University has requested funding to correct at least part of this disparity but the request has not yet been approved.

GENERAL OBSERVATIONS

1. The data in this year's salary report presents something of an irony in comparison to the national scene. In the summer of 1982, the American Association of University Professors reported that 1981-82 was the first year in over a decade that faculty did not lose ground in comparison to the cost of living. The gain in purchasing power was quite small, only three-tenths of a percentage point, but at least it marked an end to the decline which began in 1973-74. For the California segments, however, 1981-82 marked a 2.7 percent decline compared to the U.S. Consumer Price Index and a 1.4 percent decline to California's CPI. In 1982-83, another 4.1 percent was lost to the USCPI and 4.8 percent to the California CPI.

2. With parity lags of 18.5 percent at the University and 9.2 percent at the State University, 1983-84 marks the largest projected salary deficit in the 18-year history of the salary reports. The largest previous deficit occurred in 1972-73 when the combined lags for the two four-year segments stood at 26.1 percent. This year's 27.7 percent combined lag exceeds that total, and comes at a time when the State appears to be far less able to restore parity than it was at any time in the previous two decades. Further, the Governor's Budget contains funds for only about a 3 percent increase in salaries, a percentage which will, if finally approved, exacerbate the parity problem still further, leaving the University of California some 22 percent behind its comparison group and the California State University about 13 percent behind. Such a situation will cast considerable doubt on the ability of either segment to compete effectively for new professors and further doubt as to their ability to retain the best faculty already employed.

   The question of what constitutes quality, and the erosion of quality, is difficult to answer under the best of circumstances, and there are no commonly accepted measures to gauge it. One might look at the number of faculty leaving a campus or a system, but this might conceal more than it shows, for the major question does not revolve around numbers but individuals. A system might lose 1 or 2 percent of its senior faculty and not suffer a major erosion of its educational and research functions, but the loss of only a few of the very best faculty might signal a decline that could take many years to correct. It is never possible to state that one Nobel Prize winner is worth a specified number of "lesser" faculty, but it is clear that an uncompetitive compensation structure and a reduction in the quality of working conditions will eventually turn great institutions into average ones, and good ones into mediocre ones. No one can tell exactly when the transition will occur, but it has been an axiom in higher education that the lead times are long, that it takes many years to build quality, but fewer to lose it.

3. With respect to high-demand disciplines, the Commission recently adopted a report on recruitment and retention of engineering faculty (1983) and will soon issue a similar report on business administration and accounting faculty. The engineering report contained the following recommendation (p. 47):

> as a long-range solution the Commission recommends that the State encourage the Regents of the University, the Trustees of the State University, and the Board of Governors of the Maritime Academy to phase in overlapping salary ranges with sufficient flexibility to accommodate changes in demand within engineering.

It was also recommended that differential salary schedules be implemented for engineering faculty in the same institutions, but that such schedules should only be considered a short-run solution to the problem of recruiting faculty where substantial shortages exist because of market conditions.

Because that report was concerned only with the single discipline of engineering, the Commission felt that the recommendation should be similarly limited, but the principle appears sound, and the Commission therefore urges that it be extended within the context of this general faculty salary report. Accordingly, it offers the following recommendation:

> It is recommended that the State encourage the Regents of the University of California, the Trustees of the California State University, and the Board of Governors of the California Maritime Academy to phase in overlapping salary ranges at all academic ranks, and that those ranges contain sufficient flexibility to accommodate changes in demand within all disciplines as they arise.

APPENDIX A

Senate Concurrent Resolution No. 51, 1965 General Session, Relative to Academic Salaries and Welfare Benefits

WHEREAS, The Joint Legislative Budget Committee pursuant to House Resolution No. 250, 1964 First Extraordinary Session, has had prepared and has adopted a report of the Legislative Analyst containing findings and recommendations as to salaries and the general economic welfare, including fringe benefits, of faculty members of the California institutions of higher education; and

WHEREAS, The study of the Joint Legislative Budget Committee found that the reporting of salaries and fringe benefits as it has been made previously to the Legislature has been fragmentary and has lacked necessary consistency, with the result that the Legislature's consideration of the salary requests of the institutions of higher learning has been made unnecessarily difficult; and

WHEREAS, The report recommends that the Legislature and the Governor should receive each December 1 a report from the Coordinating Council for Higher Education, plus such supplementary information as the University of California and the California State Colleges desire to furnish independently, containing comprehensive and consistently reported information as outlined specifically in the report adopted by the Joint Legislative Budget Committee; and

WHEREAS, The reporting recommended by the committee would include essential data on the size and composition of the faculty, the establishment of comprehensive bases for comparing and evaluating faculty salaries, the nature and cost of existing and desired fringe benefits, the nature and extent of total compensation to the faculty, special privileges and benefits, and a description and measurement of supplementary income, all of which affect the welfare of the faculties and involve cost implications to the state now, therefore, be it

Resolved by the Senate of the State of California, the Assembly thereof concurring, That the Coordinating Council for Higher Education in cooperation with the University of California and the California State Colleges shall submit annually to the Governor and the Legislature not later than December 1 a faculty salary and welfare benefits report containing the basic information recommended in the report of the Joint Legislative Budget Committee as filed with the President of the Senate and the Speaker of the Assembly, under date of March 22, 1965.

APPENDIX B

University of California and California State University Comparison Institutions, 1966-67 - 1983-84

1966-67

University of California:

- Columbia University
- Harvard University
- Princeton University
- University of Michigan
- Yale University

California State Colleges:

- Bowling Green State University
- Brooklyn College
- Carleton College
- Colorado State University
- Occidental College
- Pomona College
- Purdue University
- Rutgers State University
- Southern Illinois University
- Wesleyan University

1967-68

University of California:

- Columbia University
- Cornell University
- Harvard University
- Princeton University
- University of Illinois
- University of Michigan
- University of Wisconsin
- Yale University

California State Colleges:

- Bowling Green State University
- Brandeis University
- Brooklyn College
- Iowa State University
- Occidental College
- Pomona College
- Purdue University
- Rutgers State University
- Southern Illinois University
- University of Oregon

1968-69

University of California:

- Cornell University
- Harvard University
- Stanford University
- State University of New York (Buffalo)
- University of Illinois
- University of Michigan
- University of Wisconsin
- Yale University

California State Colleges:

- Bowling Green State University
- Brandeis University
- Brooklyn College
- Brown University
- Iowa State University
- Michigan State University
- Northwestern University
- Pennsylvania State University
- Purdue University
- Rutgers State University
- Southern Illinois University
- State University of New York (Albany)
- University of Colorado
- University of Kentucky
- University of Massachusetts (Amherst)
- University of Oregon
- Wayne State University
- University of Minnesota

1969-70

University of California:

(No Change)

California State Colleges:

(No Change)

1970-71

University of California:

- Brown University
- Columbia University
- Cornell University
- Harvard University
- Princeton University
- Michigan State University
- Northwestern University
- Ohio State University
- Purdue University
- University of Chicago
- University of Indiana
- University of Illinois
- University of Iowa
- University of Michigan
- University of Minnesota
- University of Pennsylvania
- University of Wisconsin
- Yale University
- Stanford University

California State Colleges:

The Major Public University in Each State

- University of Alabama
- University of Alaska
- University of Arizona
- University of Arkansas
- University of California
- University of Colorado
- University of Connecticut
- University of Delaware
- University of Florida
- University of Georgia
- University of Hawaii
- University of Idaho
- University of Illinois
- Indiana University
- University of Iowa
- University of Kansas
- University of Kentucky
- Louisiana State University
- University of Maine
- University of Maryland
- University of Massachusetts
- University of Michigan
- University of Minnesota
- University of Mississippi
- University of Missouri
- University of Montana
- University of Nebraska
- University of Nevada
- University of New Hampshire
- University of New Mexico
- Rutgers State University (New Jersey)
- State University of New York (Buffalo)
- University of North Carolina
- University of North Dakota
- Ohio State University
- University of Oklahoma
- University of Oregon
- Pennsylvania State University
- University of Rhode Island
- University of South Carolina
- University of South Dakota
- University of Tennessee
- University of Texas
- University of Utah
- University of Vermont
- University of Virginia
- University of Washington
- West Virginia University
- University of Wisconsin
- University of Wyoming

Other Public Institutions Which Meet the Definition of a University (20 Institutions)

- Auburn University
- Arizona State University
- Colorado State University
- Florida State University
- Purdue University
- Iowa State University
- Kansas State University
- Michigan State University
- Wayne State University
- Mississippi State University
- New Mexico State University
- North Dakota State University
- University of Cincinnati
- Oklahoma State University
- Oregon State University
- Texas A & M University
- Texas Technological College
- University of Houston
- Utah State University
- Washington State University

Private Institutions Which Meet the Definition of a University (32 Institutions)

- Stanford University
- University of Southern California
- Yale University
- George Washington University
- Illinois Institute of Technology
- Northwestern University
- University of Chicago
- Tulane University
- Johns Hopkins University
- Boston University
- Brandeis University
- Clark University
- Harvard University
- Massachusetts Institute of Technology
- Tufts University
- Washington University (St. Louis)
- Princeton University
- Columbia University
- Columbia Teachers College
- Cornell University
- New York University
- Syracuse University
- University of Rochester
- Duke University
- Case Western Reserve
- Lehigh University
- Temple University
- University of Pennsylvania
- University of Pittsburgh
- Brown University
- Vanderbilt University
- Rice University

1971-72

University of California:

(No Change)

California State University and Colleges:

(No Change)

1972-73

University of California:

(Same List as Used in 1968-69)

California State University and Colleges:

(No Change)

1973-74

University of California:

(No Change)

California State University and Colleges:

- Bowling Green State University
- Illinois State University
- Indiana State University
- Iowa State University
- Miami University (Ohio)
- Northern Illinois University
- Portland State University
- Southern Illinois University
- State University of New York (Albany)
- State University of New York (Buffalo College of Arts and Sciences)
- Syracuse University
- University of Colorado
- University of Hawaii
- University of Nevada
- University of Oregon
- University of Southern California
- University of Wisconsin (Milwaukee)
- Virginia Polytechnic Institute and State University
- Wayne State University
- Western Michigan University

1974-75 Through 1983-84

University of California:

(No Change)

California State University:

(No Change)

APPENDIX C

Methodology Employed by the California Postsecondary Education Commission for Preparation of the Annual Reports on University of California and California State University Faculty Salaries and Cost of Fringe Benefits

Commission Resolution 17-77, June 13, 1977

Concerning the Methodology Employed for the California Postsecondary Education Commission's Annual Reports on Faculty Salaries and Fringe Benefits

WHEREAS, The University of California and the California State University and Colleges have expressed reservations with the methodology used for the California Postsecondary Education Commission's recent reports on faculty salaries and fringe benefits, particularly with respect to the computations for fringe benefits, and

WHEREAS, Commission staff convened a technical advisory committee consisting of representatives of the segments, the Department of Finance, and the Office of the Legislative Analyst to advise on possible revisions of the existing methodology, and

WHEREAS, The committee met on five occasions to thoroughly review and discuss the methodology for the reports on faculty salaries and fringe benefits, not only with respect to the computations for fringe benefits, but also regarding all other aspects of the methodology, and

WHEREAS, Based on the advice of the committee, a revised methodology has been developed by Commission staff; now therefore, be it

RESOLVED, That the California Postsecondary Education Commission adopt the attached document entitled, Revised Methodology for the Preparation of the Annual Report on University of California and California State University and Colleges Faculty Salaries and Fringe Benefits, 1978-79, which by reference becomes a part of this resolution, and be it further

RESOLVED, That copies of this resolution be transmitted to the Governor, the Legislature, the Department of Finance, the Office of the Legislative Analyst, the Regents of the University of California and the Trustees of the California State University and Colleges.

California Postsecondary
Education Commission

June 13, 1977

REVISED METHODOLOGY FOR THE PREPARATION OF THE ANNUAL REPORT ON UNIVERSITY OF CALIFORNIA AND CALIFORNIA STATE UNIVERSITY AND COLLEGES FACULTY SALARIES AND FRINGE BENEFITS, 1978-79

INTRODUCTION

The methodology to be employed for the 1978-79 report contains a number of substantive modifications from that adopted by the Commission in September, 1974 and used for the annual reports for 1975-76, 1976-77, and 1977-78.

In developing this new methodology, both the University of California and the California State University and Colleges conferred with a number of groups and individuals, including representatives of faculty organizations. Subsequently, each segment submitted proposals for changes in the existing methodology. These proposals were then considered by a technical advisory committee established by the Commission consisting not only of Commission staff and segmental representatives, but also of representatives of the Department of Finance and the Office of the Legislative Analyst.

In the past year, one aspect of the annual report on faculty salaries and fringe benefits was heavily criticized; namely, the treatment of the comparison of fringe benefits. This criticism centered on two major points. The first related to the recent practice of treating the cost of fringe benefits and the salary adjustments required to achieve parity as additive to produce a figure for "Total Equivalent Compensation" (TEC). This practice will be discontinued in subsequent years. The second criticism stemmed from the fact that the comparison method was limited to the employer cost of benefits (expressed as a percentage of payroll). Since there is, at best, only an indirect relationship between the value of fringe benefits to the employee and the cost of those benefits to the employer, the use of fringe benefit comparisons with other institutions can often be seriously misleading.

Although the basic difficulties with fringe benefit comparisons were noted in the report for the 1977-78 fiscal year, it is proposed that a much more definitive disclaimer be included in the text for the 1978-79 report. Clearly, a benefit package of given cost may be very different from another benefit package of the same cost when the two are defined and administered differently. By way of illustration, if the employer adds to a pension fund to improve its actuarial integrity, it increases the cost of the benefit package but does not result in any new or additional benefits.

The Commission will continue to show the results of the comparison survey regarding the cost of fringe benefits but will display it separately from the salary data and will include a sufficiently detailed explanation of the issues so as to avoid misunderstanding or inappropriate use of the figures.

The second major change is the elimination of the "Cost of Living Adjustment for Salaries." For the past three years, an adjustment has been made in the projected salaries of the comparison institutions to account for changes in the rate of inflation. This adjustment has been widely misunderstood. It is not an escalator clause of the kind frequently found in collective bargaining agreements; it is an index only of changes in the rate of inflation and not a measure of inflation itself.

The other changes are essentially technical in nature. To date, all ranks average salary and fringe benefit projections have been made on the basis of prior year (for the preliminary report) and current year (for the final report) segmental staffing patterns. Since these elements of compensation are implemented in the budget year, it is desirable to establish a staffing pattern for that year. This will be done by the University of California for the 1978-79 report and by the California State University and Colleges beginning in 1979-80.

The final change will affect only the computation of fringe benefits for the California State University and Colleges. That system previously based its fringe benefit projections on the assumption that no salary increase would be granted. Because an increase in salary automatically increases applicable fringe benefits, a degree of distortion occurs. The University of California uses a system whereby a salary increase is computed first, the automatic increases in fringe benefits resulting from that increase accounted for, and the fringe benefits calculated after this accounting. The Commission believes the latter approach to be more reasonable and has therefore adopted it for both segments.

METHODOLOGY

The procedures to be employed for the 1978-79 budget year and in subsequent years are as follows:

A. NUMBER AND TIMING OF REPORTS

Two reports will be prepared each year. The first report, based on preliminary data, will be submitted to the Department of Finance in November. The final report, based on the most current data, will be submitted to the Legislative Budget Committee in April. In order to meet these submission dates, the University of California and the California State University and Colleges will forward data on comparison institutions and segmental faculty salaries to Commission staff by mid-October for the preliminary report and by late February for the final report.

B. PRINCIPLE OF PARITY

The report will indicate what adjustments would be needed for the forthcoming year for salaries and costs of fringe benefits for University of California and California State University and Colleges' faculty to achieve and maintain rank-by-rank parity with such salaries and costs of fringe benefits provided faculty in appropriate comparison institutions. A separate list of comparison institutions will be used by each of the California segments of higher education. The report will separate calculations and displays of data related to percentage increases required for parity in salaries from those related to fringe benefit costs.

C. COMPARISON INSTITUTIONS[1]

Comparison institutions for the University of California will be:

- Cornell University
- Harvard University
- Stanford University
- State University of New York at Buffalo
- University of Illinois
- University of Michigan at Ann Arbor
- University of Wisconsin at Madison
- Yale University

Comparison institutions for the California State University and Colleges will be:

East

- State University of New York at Albany
- State University of New York College at Buffalo
- Syracuse University
- Virginia Polytechnic Institute and State University

West

- University of Southern California
- University of Hawaii
- University of Nevada
- University of Oregon
- Portland State University

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[1] If any institution is omitted for any reason, a replacement will be selected based upon the established criteria by Commission staff in mutual consultation with the segments, the Department of Finance, and the Legislative Analyst. The Attachment indicates the criteria for selection of the comparison institutions.

Other

University of Colorado
Illinois State University
Northern Illinois University
Southern Illinois University
Indiana State University
Iowa State University
Wayne State University
Western Michigan University
Bowling Green State University
Miami University (Ohio)
University of Wisconsin at Milwaukee

D. FACULTY TO BE INCLUDED AND EXCLUDED

The faculties to be included in the comparisons are those with full-time appointments at the ranks of professor, associate professor, assistant professor, and instructor, employed on nine and eleven month (prorated) appointments, (both regular and irregular ranks as appropriate), with the exception of faculties in the health sciences, summer sessions, extension programs and laboratory schools, provided that these faculties are covered by salary scales or schedules other than that of the regular faculty. At the rank of instructor, full-time equivalent faculty are used because of the preponderance of part-time appointments at this rank.

The faculty members to be included are those assigned to instruction (regardless of the assignments for research or other university purposes), department chairmen (if not on an administrative salary schedule), and faculty on salaried sabbatical leave.

E. COMPUTATION OF AVERAGE SALARIES AND COST OF FRINGE BENEFITS

For each academic rank within the California State University and Colleges' comparison groups, the total actual salary dollars for the combined group is divided by the number of faculty within the rank to derive average salaries by rank for their comparison institutions as a whole. Average costs of fringe benefits will be computed in a similar manner.

For the University of California's comparison groups, the average salary by rank is obtained for each comparison institution. The single average salary (for each rank) for the comparison group is then calculated by adding the average salaries at the eight comparison institutions and dividing by eight, thereby giving equal weight to each institution regardless of the number of faculty. The same procedure should be used to compute the cost of fringe benefits.

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F. FIVE-YEAR COMPOUND RATE OF SALARY AND FRINGE BENEFIT GROWTH

For the preliminary report, a five-year compound rate of change in salaries and fringe benefits at each rank at the comparison institutions will be computed on the basis of actual salary and fringe benefit data of the preceding year and of the prior five years.

In obtaining compound rates of change at the comparison institutions, each segment will compute the average salary and fringe benefit costs by rank for their respective comparison institution groups as specified in Section E above. Each will then calculate the annual compound growth rate changes in average salaries and fringe benefit costs for each rank (over the five-year period) at their respective comparision institutions. These rates of change will then be used to project average salaries and costs of fringe benefits for that rank forward for two years to the budget year.

The same procedure will be used in producing the final report, except that the base year for the comparison institutions will be moved forward one year, permitting the use of a one-year projection rather than the two-year projection necessary in the preliminary report. The California segments will use actual current salary and fringe benefit data as reported by the comparison institutions rather than budgeted figures.

G. ALL-RANKS AVERAGE SALARY AND FRINGE BENEFIT COSTS

Average all-ranks average salaries and fringe benefit costs projected for the budget year will be calculated for each segment, using the average salaries and fringe benefits by rank projected for the budget year for the comparison groups and the staffing pattern in the appropriate California segment. The California State University and Colleges will use the current year staffing pattern while the University of California will use a staffing pattern projected for the budget year. These all-ranks average salary and fringe benefit amounts for the budget year constitute the salaries and fringe benefits to be provided to the corresponding California segment for that segment to achieve parity, rank-by-rank, with its comparison group. The average all-ranks salaries and fringe benefits thus projected to the budget year for each California segment will then be compared with the current all-ranks average salaries and fringe benefits for that segment to determine the percentage increase required by the segment to achieve parity. For the 1978-79 report, the California State University and Colleges will modify the percentage difference (to 1/10th of a percentage point) to account for merit increases, promotions, and faculty turnover. This adjustment will not be necessary for the University of California since the projection of the staffing pattern into the budget year will account for these adjustments automatically. In subsequent years, the California State University and Colleges will use the same procedure as the University of California.

H. SUPPLEMENTARY INFORMATION

The Commission will prepare supplementary tables containing five years of trend data, with the data for the most recent year supplied by the segments.

1. Number of full-time faculty by rank;
2. Number and percent of new and continuing full-time faculty with the doctorate by rank;
3. Number and percent of full-time faculty with tenure or security of appointment by rank;
4. Separations of full-time faculty with tenure or security of appointment by rank;
5. Destination of faculty who resign, by rank (indicating the name of the institution for those faculty remaining in higher education);
6. Sources of recruitment by rank;
7. Faculty promotional patterns.

ATTACHMENT

CRITERIA FOR SELECTION OF COMPARISON INSTITUTIONS

The following criteria will be used to select comparison institutions for the University of California:

1. Each institution should be an eminent major university offering a broad spectrum of undergraduate, graduate (Masters and Ph.D.), and professional instruction, and with a faculty responsible for research as well as teaching.

2. Each institution should be one with which the University is in significant and continuing competition in the recruitment and retention of faculty.

3. Each institution should be one from which it is possible to collect salary data on a timely, voluntary and regular basis. (Not all institutions are willing to provide their salary data, especially in the detail required for comparison purposes.)

4. The comparison group should be composed of both public and private institutions.

In selecting these institutions, stability over time in the comparison institutions group is important to enable the development of faculty salary market perspective, time serious analysis, and the contacts necessary for gathering required data.

The following criteria will be used for selection of comparison institutions for the California State University and Colleges. The institutions selected according to these criteria are those which have approximately the same functions with regard to undergraduate and graduate instruction, and with which the Califionia State University and Colleges compete for faculty.

1. General Comparability of Institutions

   The expectations of faculty at the comparison institutions should be relatively similar to those prevailing at the California State University and Colleges. Consequently, the comparison institutions should be large institutions that offer both undergraduate and graduate instruction. Excluded from consideration under this criterion were:

   a. Institutions with less than 300 faculty members;

b. The 20 institutions that awarded the greatest number of doctoral degrees during the ten-year period, 1959-60 through 1968-69. (These 20 institutions awarded nearly half of all doctoral degrees awarded in the U.S. during this period);

c. Community Colleges and colleges without graduate programs;

d. Institutions staffed with religious faculty.

2. Comparability of States' Ability to Support Higher Education

The basis of financial support available to the comparison institutions should be relatively similar to that of California. Excluded from consideration were:

a. Institutions in states where the per capita income in 1970 was more than ten percent below the U.S. average. (California's per capita income was approximately 14 percent above the U.S. average.) The criterion was applied to both public and private institutions;

b. Institutions in New York City and Washington, D.C., because of the high cost of living and the much higher than average incomes in these cities.

3. Competition for Faculty

Institutions on the comparison list preferably should be institutions from which California State University and Colleges' faculty are recruited or vice versa.

4. Similarity of Functions

The comparison group should include institutions that are among the largest institutions with graduate programs but which do not grant, or grant very few, doctoral degrees.[1] (Nine CSUC campuses are among the 20 largest such institutions in the country.)

5. Fringe Benefits

The comparison institutions should provide fringe benefits, including a retirement program, that vests in the faculty member within five years. This criterion was applied by generally excluding from consideration institutions with nonvesting retirement programs.

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[1] Category IIA in the AAUP report.

6. University of California Comparison Institutions

The comparison group of institutions developed for the California State University and Colleges should not include institutions used by the University of California in determining its faculty compensation.

7. Acceptance as Comparison Institution

The comparison institutions preferably should be institutions that have been accepted previously for the purpose of comparing faculty salaries in the California State University and Colleges.

8. Senior or Tenured Faculty

The comparison group of institutions should have a faculty mix ratio in their upper two ranks that is similar to the ratio of faculty in the upper two ranks of the California State University and Colleges.

APPENDIX D

House Resolution No. 250, 1964 First Extraordinary Session, Relative to the Economic Welfare of the Faculties of the California Public Institutions of Higher Education

WHEREAS, The Master Plan for Public Higher Education strongly recommended that every effort be made to ensure that the institutions of higher education in California maintain or improve their position in the intense competition for the highest quality of faculty members; and

WHEREAS, The Coordinating Council for Higher Education in its annual report to the Governor and the Legislature regarding level of support for the California State Colleges and the University of California recommended that funds should be provided to permit at least an additional 5 percent increase in academic salaries for the California State Colleges and the University of California; and

WHEREAS, The Trustees of the California State Colleges in their annual report to the Legislature declared that the California State Colleges are falling far behind in the face of this competition and that by 1964-65 faculty salaries will be lagging 14 to 18 percent behind those of comparable institutions; and

WHEREAS, Greatly increasing enrollments in institutions of higher education in California during the next decade will cause a demand for qualified faculty members which cannot possibly be met unless such institutions have a recruitment climate which will compare favorably with other colleges, universities, business institutions, industry, and other levels of government; and

WHEREAS, California has achieved an enviable momentum in business and industrial development, a momentum now threatened by lagging faculty salaries so that failure to maintain adequate salary scales for faculty members in California institutions of higher education would be false economy; and

WHEREAS, There have been widespread reports from the State College and University campuses that higher salaries elsewhere are attracting some of the best faculty members from the California institutions of higher education, and if such academic emigration gains momentum because of inadequate salaries, the effect will disrupt the educational processes and result in slower economic growth, followed by lower tax revenues; and

WHEREAS, The Legislature has a continuing interest in the difficult and pressing problems faced by the California institutions of higher education in attracting and maintaining outstanding faculty members in a period of stiff competition and rapid growth; and

WHEREAS, The Legislature has a continuing interest in the difficult and pressing problems faced by the California institutions of higher education in attracting and maintaining outstanding faculty members in a period of stiff competition and rapid growth; and

WHEREAS, The State's investment in superior teaching talent has been reflected in California's phenomenal economic growth and has shown California taxpayers to be the wisest of public investors, but unless the superiority in faculty quality is maintained, the contributions by the California institutions of higher education to the continued economic and cultural development of California may be seriously threatened; now, therefore, be it

RESOLVED BY THE ASSEMBLY OF THE STATE OF CALIFORNIA, That the Assembly Committee on Rules is directed to request the Joint Legislative Budget Committee to study the subject of salaries and the general economic welfare, including fringe benefits, of faculty members of the California institutions of higher education, and ways and means of improving such salaries and benefits in order that such California institutions of higher education may be able to compete for the talent necessary to provide the highest quality of education, and to request such committee to report its findings and recommendations to the Legislature not later than the fifth legislative day of the 1965 Regular Session.

A RECOMMENDED METHOD FOR REPORTING TO THE LEGISLATURE ON FACULTY SALARIES AND OTHER BENEFITS AT THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE COLLEGES

(Pursuant to HR 250, 1964 First Extraordinary Session)

Prepared by the
Office of the Legislative Analyst
State of California

January 4, 1965

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INTRODUCTION

The purpose of this staff report is to recommend a method for reporting to the Legislature on salaries, fringe benefits and other special economic benefits for faculties of the University of California and the California State Colleges. This report has been prepared by the Joint Legislative Budget Committee in response to House Resolution 250 (1964 First Extraordinary Session, Appendix 1)[1] which resolved:

> "That the Assembly Committee on Rules is directed to request the Joint Legislative Budget Committee to study the subject of salaries and the general economic welfare, including fringe benefits, of faculty members of the California institutions of higher education, and ways and means of improving such salaries and benefits in order that such California institutions of higher education may be able to compete for the talent necessary to provide the highest quality of education, and to request such committee to report its findings and recommendations to the Legislature not later than the fifth legislative day of the 1965 Regular Session."

Staff of the Joint Legislative Budget Committee initiated its study by seeking information which would reflect the magnitude of California's long-range and immediate problems regarding the need to recruit and retain an adequate number of high quality faculty. While reviewing past reports presented to the Legislature as justification for salary increase recommendations by the Coordinating Council for Higher Education, the University of California and the California State Colleges, it became apparent that the first step in trying to improve faculty salaries and other benefits is to furnish the Legislature with comprehensive and consistent data which identify the nature and level of competitive benefits. The costs associated with recommendations, rated according to priority, should be included in proposals by the segments in order to aid the Legislature in determining how much to appropriate and the benefits which an appropriation will buy.

There has existed in the past a difference between what the institutions have recommended as the need for salary and benefit increases and what has finally been appropriated by the Legislature. There are two principal reasons for this difference which at times may be closely related: (1) The Legislature may disagree with what is proposed as to need, or (2) there may not be enough funds to meet the need because of higher priorities in other areas of the budget.

These needs are very complex and, for example, include such factors as:

1. Disagreement with conclusions drawn from data submitted in justification of recommendations;
2. Lack of confidence in the quantity, quality, or type of data;
3. The failure of advocates to make points which are concise and clearly understandable;
4. The submission of conflicting data by legislative staff or the Department of Finance.

After careful consideration, it was determined that a special report should be made to the Budget Committee containing recommendations as to the kind of data the Legislature should be furnished for the purpose of considering salary and other benefit increases.

On August 5, 1964 a letter (Appendix 2) was sent from the Legislative Analyst to the Coordinating Council for Higher Education, the University of California, the California State Colleges, the Department of Finance and various faculty organizations informing them that the Joint Legislative Budget Committee was planning to hold a public hearing in connection with HR 250 and asking for replies to a series of questions designed to gather background information about salary and fringe benefits data (Appendix 3, Copies of Replies Received). The primary purpose of the hearing was to provide the University of California, the California State Colleges and interested groups the opportunity to indicate the basis on which salary and fringe benefits should be reported to the Legislature, including the kind of data to be compiled and who should compile and publish it (Appendix 4, Copies of Prepared Testimony Filed with the Joint Legislative Budget Committee at the October 15, 1964 Hearing). The contents of most of the prepared statements discussed problems and in some instances recommendations relating to faculty salaries and other benefits rather than the primary purpose of the hearing, but the testimony did serve to identify areas of concern. The hearing also established legislative interest in the subjects of faculty workload and sources of supplementary income.

The review of past faculty salary reports, the replies to the Legislative Analyst's letter of August 5, 1964, the oral and prepared statements received at the October 15, 1964 hearing of the Joint Legislative Budget Committee and other sources have revealed significant findings and permitted the development of recommendations concerning the type of information and method of presentation that should be included in future faculty salary reports prepared for the Legislature.

BACKGROUND

Current procedures for review of faculty salary and other benefit increase proposals, starting with the presentation of recommendations by state colleges and University of California administrative officials to their respective governing boards, appear generally to be adequate, with minor reservations. The State College Trustees and the Regents of the University of California generally formulate their own proposals in December and forward them to the State Department of Finance for budget consideration. Concurrently the Coordinating Council for Higher Education also makes a report with recommendations which is made available to the State Department of Finance. The Governor and the Department of Finance consider these salary increase proposals in relation to the availability of funds and their own analysis of faculty salary needs and decide how much of an increase, if any, to include in the Governor's Budget. The Legislative Analyst in the *Analysis of the Budget Bill* provides analysis and recommendations as to the Governor's budget proposal.

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[1] Appendices deleted.

When appropriate legislative committees hear the budget request for faculty salary increases they may be confronted with several recommendations from various sources. Their first responsibility is to consider the Governor's recommendations in the Budget Bill. However, the University and the California State Colleges generally request the opportunity to present their own recommendations, which frequently differ from the Governor's proposal. Also, the Coordinating Council for Higher Education presents its recommendations. Various faculty organizations may desire to make independent proposals. The Legislature has been cooperative in providing all interested parties the opportunity to present their views, but these presentations have been marked by extreme variations in recommendations and in the data which support the requests.

WHO SHOULD PREPARE FACULTY SALARY REPORTS

There appears to be some difference of opinion concerning the purpose of faculty salary reports and recommendations prepared by the Coordinating Council for Higher Education. The University of California and the California State Colleges contend that they should make direct recommendations to the Governor and the Legislature and that Coordinating Council recommendations should be regarded as independent comments. Conversely, the Department of Finance and the Coordinating Council for Higher Education believe that salary reports and recommendations of the Coordinating Council should be the primary report submitted to the Department of Finance and the Governor to consider in preparing budget recommendations. The Department of Finance states that such a report should be regarded as similar in status to the annual salary report relating to civil service salaries prepared by the State Personnel Board for the Governor and the Legislature. It is our opinion that the Legislature should give specific and primary consideration to the recommendations in the Governor's Budget and to the annual faculty salary report of the Coordinating Council for Higher Education. However, any separate recommendations of the University of California and the California State Colleges should also be considered.

WHAT FACULTY SALARY REPORTS SHOULD CONTAIN

We do not believe that reporting required of the University, the California State Colleges, and the Coordinating Council for Higher Education should limit the right of these agencies to emphasize specific points in supporting their own recommendations. However, the Legislature should take steps to establish a consistent basis upon which it will receive comprehensive information about faculty salaries, other benefits, and related subjects from year to year. After careful consideration of the statistical and other grounds presented in support of salary and other benefit increase proposals in the past, we recommend that basic data be included in faculty salary reports to the Legislature in a consistent form in the following areas:

A. Faculty Data
B. Salary Data
C. Fringe Benefits
D. Total Compensation
E. Special Privileges and Benefits
F. Supplementary Income

Since it is necessary for staff of the executive and legislative branches of government to analyze recommendations prior to the commencement of a legislative session, all reports and recommendations should be completed by December 1 of each year.

A. Faculty Data

1. Findings
   - a. Informative data about the size, composition, retention, and recruitment of California State College faculty has been presented to the Legislature from time to time, but usually it has been so selective that it lacks objectivity and has been inconsistent from year to year.
   - b. Superior faculty performance has not been demonstrated as a reason to justify past requests for superior salaries.
2. Recommendations

   The following data should be compiled and presented annually on a consistent basis. Definitions of what constitutes faculty are left to the discretion of the University and the state colleges but should be clearly defined in any report. Additional data may be included in any given year to emphasize special problems, but such data should supplement not replace the basic information recommended below. Graphs should be used when practical, accompanied by supporting tables in an appendix. Recommended faculty data includes:

94

a. The number of faculty, by rank and the increase over the previous five years to reflect institutional growth.

b. Current faculty composition expressed in meaningful terms, including but not limited to the percentage of the faculty who have PhD's.

c. Student-faculty ratios as a means of expressing performance.

d. Data relating to all new full-time faculty for the current academic year including the number hired, source of employment, their rank and highest degree held. Existing vacancies should also be noted. Pertinent historical trends in these data should be analyzed. We do not believe that subjective and incomplete data estimating reasons for turning down offers, such as has been presented in the past, serves any useful purpose.

e. Faculty turnover rates comparing the number of separations to total faculty according to the following suggested categories; death or retirement, to research or graduate work, intra-institutional transfer, other college or University teaching, business and government, other.

3. Comments

The first three recommendations above are designed to reflect faculty size, composition, rate of growth, and workload. The inclusion of consistent data from year to year will facilitate trend analysis as it relates to the institutions involved and, when possible, to comparable institutions. The purpose of including data on new faculty and faculty turnover is to provide a quantitative base for discussions of problems relating to faculty recruitment and retention. It may also be beneficial to include some basic statistics about the available supply of faculty to see what proportion of the market, new PhD's for example, California institutions hire every year.

B. Salary Data

1. Findings

a. The University for several years has exchanged salary data to provide a consistent comparison with a special group of five "eminent" universities, as well as with a group of nine public universities. Conversely, the California State Colleges have not yet established a list of comparable institutions which is acceptable to them.

b. Both the University of California and the Coordinating Council for Higher Education maintain that salary comparisons to appropriate institutions is the best single method of determining salary needs.

c. The University of California places less significance on salary comparisons with nonacademic employment than the Coordinating Council on Higher Education and the California State Colleges.

d. Salary increases have been proposed on the basis of differentials between total compensation (salaries plus fringe benefits) in comparable institutions.

e. Both the University and the California State Colleges have tended to relate the size of proposed salary increases to how much of an increase would be necessary to return to a specific competitive position which existed in 1957-58 and which was unusually advantageous.

f. Salary comparisons have frequently been made to various levels of teaching including elementary, high school, and junior college salaries.

g. Methods of salary comparisons with other institutions have varied from year to year in reports prepared by the state colleges.

2. Recommendations

a. We recommend that proposed faculty salary increases distinguish between: (1) increases necessary to maintain the current competitive position and (2) increases to improve the current competitive position.

(1) Proposed increases to maintain the existing competitive position should be equivalent to a projection of the average salary relationship between the University, or state colleges, and comparable institutions during the current fiscal year to the next fiscal year. We recommend that this projection be based on a projection of actual salary increases by rank in comparable institutions during the past five years, permitting statistical adjustments for unusual circumstances. Thus the proposed increase to maintain the existing competitive position would, in effect, be equal to the average of annual salary increases in comparable institutions during the past five years. A record of the accuracy of projections should be maintained in an appendix.

(2) Recommendations to improve the current competitive positions should be related to the additional advantages to be derived.

b. It is also recommended that the California State College Trustees select a list of comparable institutions within the next year and that agreements be negotiated to exchange salary data in a form which will facilitate comparisons. A list of the criteria used to select comparable institutions, plus characteristics of the institutions selected, should be included in next year's report.

c. Specific proposals for salary increases should be accompanied by comparisons of current salary amounts and historic trends to comparable institutions. The following general principles are considered to be important:

  (1) Salary data should be separated from fringe benefit and special benefit data for purposes of reporting salary comparisons.

  (2) A consistent form should be used from year to year to present salary data. A suggested form might be to illustrate a five-year historic trend in average salaries by using a line graph for each rank. An alternative might be a table which simply shows where California ranked among comparable institutions during the past five years.

  The current salary position might best be illustrated by showing a list of average salaries of the California institutions and the other comparable institutions from the highest to the lowest average, by rank, for the last actual and current years. This will show the relative position of the California institution for the last actual and current years, as well as the range of averages. Frequency distributions of faculty by rank or professor should be incorporated in an appendix and any significant limitations in the use of averages between those particular institutions in a given year should be noted. For example, an unusual proportion of faculty in the high ranks or the low ranks would affect the comparability of the arithmetic means.

  (3) Special data to illustrate a particular problem in any given year would be appropriate as long as it supplements, rather than replaces, basic salary data.

d. Finally, it is recommended that salary data be reported in a form by rank which compensates for differences in faculty distributions.

C. Fringe Benefits

1. Findings

a. The definition of fringe benefits generally includes benefits available to all faculty that have a dollar cost to the employer. Benefits and services in kind are considered to be fringe benefits only if a cash payment option is available. Retirement and health insurance, by definition, are the only two programs considered as fringe benefits by the University of California and the California State Colleges.

b. Comparisons of fringe benefits, when comparisons have been made at all, have generally been limited to the dollar contribution by the employer and have not included any analysis of the quality of the benefits to the employee.

2. Recommendations

a. It is recommended that fringe benefit comparisons of type of benefit be included in faculty salary reports, but compared separately from salaries. Such comparisons should include an analysis of the quality of the benefits as well as the dollar cost to the employer.

b. Proposals to increase specific fringe benefits should be made separately from salaries, including separate cost estimates.

3. Comments

Separate proposals for increases in salaries and fringe benefits should be made to minimize misunderstanding about competitive positions. For example, information submitted to the 1963 Legislature by the University of California, in support of a proposed salary increase for 1963–64, compared total compensation data (salaries plus fringe benefits) rather than salaries alone. This report stated in part: "In comparing salaries, fringe benefits must be taken into account. Salary comparisons between the University and other institutions based on salary *alone* look far more favorable than comparisons of salaries *plus benefits*." The least favorable comparison was with fringe benefits, not salaries, thus the report recommended a salary increase largely on the basis of a difference in fringe benefits. Although it is felt that comparisons of total compensation are appropriate inclusions in a faculty salary report, such data should only be in addition to rather than in place of separate analyses of the current competitive position in salaries and fringe benefits.

D. Total Compensation

1. Findings

a. Total compensation data consists of average salaries plus a dollar amount representing the employer's cost of fringe benefits.

b. The Coordinating Council for Higher Education, the University of California and the California State Colleges have in the past all used total compensation data prepared and published by the American Association of University Professors in their respective faculty salary reports.

2. Recommendations

We recommend that total compensation data, as reported by the American Association of University Professors, be included in faculty salary reports as a supplement to separate salary and fringe benefit information.

E. Special Privileges and Benefits

1. Findings

There are other faculty privileges and economic benefits which are not classified as fringe benefits because they may not be available to all faculty or fit the definition of a fringe benefit in some other respect. Examples at the University of California include up to one-half the cost of moving expenses, vacations for 11-month appointees, the waiving of nonresident tuition for faculty children, sabbatical leaves with pay, and other special and sick leaves with or without pay.

2. Recommendations

It is recommended that a list of special privileges and benefits be defined and summaries of related policies be included in a special section in future faculty salary reports so that the Legislature will be aware of what these privileges and benefits include.

3. Comments

The expansion or establishment of some of these special privileges and benefits could improve recruiting success more than the expenditure of comparable amounts in salaries. For example, moving expenses are not currently offered by the state colleges but some allowance might make the difference of whether a young candidate from the East could accept an appointment. If this type of benefit is proposed, it must include adequate controls.

F. Supplementary Income

1. Findings

a. The multiple loyalties created by permitting faculty to supplement their salaries by earning extra income from various sources within and outside his college or University is recognized as a problem common to institutions of higher education throughout the United States.

b. There apparently are proportionately more private consulting opportunities in California than in other areas of the nation. For example, 51 percent of the federal research defense contracts were concentrated in California during 1963–64.

c. The University of California has general policies designed to insure that outside activities do not interfere with University responsibilities. If outside activities interfere with University responsibilities, the faculty member generally must take a leave of absence without pay until such outside activities are completed. These and other related University policies were praised in a 1956 Carnegie-financed study titled *University Faculty Compensation Policies and Practices.*

d. The Coordinating Council for Higher Education submitted excerpts from nationwide studies relating to the magnitude of outside activities. We have no way of determining how the data may relate to California, but if the figures are reasonable, then it appears that probably a large percentage of faculty have at least one source of extra income. Sources of income were reported are follows:

Source	*Percent of faculty earning additional income from source*
Lecturing	31%
General writing	28
Summer and extension teaching	25
Government consulting	18
Textbook writing	16
Private consulting	12
Public service and foundation consulting	9
Other professional activities	13

Source: University Faculty Compensation Policies and Practices in the U. S., Association of American Universities, University of Illinois Press, Urbana, 1956.

e. The United State Office of Education has just completed a nationwide sample survey of outside earnings of college faculty for 1961–62. Although data has not been published yet, special permission has been received to report the following results which are quoted from a letter sent to the Legislative Analyst on December 8, 1964 from the staff of the California State College Trustees:

OUTSIDE EARNINGS OF TEACHING FACULTY ON ACADEMIC YEAR CONTRACTS (9–10 MONTHS)

The U. S. Office of Education has just completed a nationwide survey of outside earnings by a sampling of all college faculty nationwide for 1961–62. The results are as follows:

	Percent	Average earnings
All with outside earnings	74	$2,200
Summer teaching	44	1,300
Other summer employment	11	1,800
Other teaching	13	900
Royalties	8	1,200
Speeches	9	200
Consultant fees	13	1,400
Retirement (individuals who have retired who teach elsewhere after retiring)	1	3,400
Research	7	1,800
Other professional earnings	10	1,300
Non-professional earnings	8	1,700

The highest average earnings by teaching field and the percentage with outside earnings are:

	Percent	Average earnings
Law (which we do not have)	78	$5,300
Engineering	83	3,200
Business and Commerce	78	2,900
Physical Sciences	80	2,900
Agriculture	71	2,800
Psychology	85	2,700

In light of the Joint Committee discussion you might be interested in the following:

	Percent	Average earnings
Social Sciences	74	$1,900
Fine Arts	74	1,600
Philosophy	74	1,500
Religion and Theology	78	1,200

2. Recommendations

   a. We recommend that the Coordinating Council for Higher Education, the University of California and the California State Colleges cooperate in determining the extent to which faculty members participate in extra activities to supplement their nine-month salaries including information as to when extra activities are usually performed (such as vacations, etc.). Such activities would include, but not be limited to, lecturing, general writing, summer and extension teaching, government consulting, textbook writing, private consulting, public service and foundation consulting, and other professional activities. If such a study suggests that the magnitude of these activities is such that the performance of normal University and state college responsibilities are perhaps being adversely affected, then consideration should be given to the possibility of maintaining more complete and meaningful records. Such records would aid administrative officials and academic senates when reviewing recommendations for promotions and salary increases and provide summary data for reporting to the Legislature on these significant faculty welfare items. Next year's faculty salary report of the Coordinating Council for Higher Education should incorporate the results of this study.

   b. We also recommend that existing state college policies and enforcement practices regarding extra employment be reviewed and updated.

   c. Finally, it is recommended that faculty salary reports keep the Legislature informed about policies and practices relating to extra employment.

3. Comments

In our opinion, it would seem that any extra employment would affect the quality of performance of University responsibilities since faculty surveys indicate that the average faculty workweek is 54 hours. The time spent on activities for extra compensation (except during the summer) would be on top of what the faculty has defined as their average workweek. Because, in some instances, it is difficult to determine whether a given income-producing activity, such as writing a book, is considered a normal University responsibility or an extra activity, distinctions between normal and extra activities need to be more clearly defined.

Much of the outside compensation received by faculty comes in the form of grants made directly to the faculty member rather than through the University or colleges. There is no regular reporting of these grants or the personal compensation which they provide to faculty, and the colleges and University do not consider the reporting of such income to be feasible. It may be desirable to encourage the Congress to direct that greater number of grants made by United States agencies for research be made directly to academic institutions.

APPENDIX E

University of California Salaries and Cost of Fringe Benefits 1983-84

TABLE 1

UNIVERSITY OF CALIFORNIA

Projected 1983-84 Salaries for Comparison Group Based Upon Compound Rate of Increase in Average Salaries (Equal Weight to Each Comparison Institution)

Academic Rank	Comparison Group Average Salaries		Compound Rate of Increase	Comparison Group Projected Salaries
	1977-78	1982-83		1983-84
(1)	(2)	(3)	(4)	(5)
Professor	$30,386	$45,339	8.33%	$49,117
Associate Professor	20,646	30,542	8.15	33,030
Assistant Professor	16,365	25,385	9.18	27,715

TABLE 2

UNIVERSITY OF CALIFORNIA

Percentage Increase in UC 1982-83 All Ranks Average Salary Required to Equal the Comparison Group Projections for 1982-83 and 1983-84, Based on Five-Year Compound Rate of Increase in Comparison Group Salaries (Equal Weight to Each Comparison Institution)

Academic Rank	UC Average Salaries	Comparison Group Salaries		Percentage Increase Required in UC Salaries	
	1982-83	1982-83 (Actual)	1983-84 (Projected)	1982-83	1983-84
(1)	(2)	(3)	(4)	(5)	(6)
Professor	$41,645	$45,339	$49,117	+ 8.87%	+17.94%
Associate Professor	27,664	30,542	33,030	+10.40	+19.40
Assistant Professor	22,820	25,385	27,715	+11.24	+21.45
All Ranks Average	35,768	39,114[1]	42,393[1]	+ 9.35	+18.52

1/ Based on projected UC 1983-84 staffing: Professor, 3,138; Associate Professor, 1,087; Assistant Professor, 744. Total staff: 4,969.

TABLE 3

UNIVERSITY OF CALIFORNIA

Projected 1983-84 Cost of Fringe Benefits for Comparison Group Based Upon Compound Rate of Increase in Average Fringe Benefit Costs (Equal Weight to Each Comparison Institution)

Academic Rank	Comparison Group Average Cost of Fringe Benefits		Compound Rate of Increase	Comparison Group Projected Cost of Fringe Benefits
	1977-78	1982-83		1983-84
(1)	(2)	(3)	(4)	(5)
Professor	$5,556	$9,145	10.48%	$10,103
Associate Professor	3,788	6,721	12.15	7,538
Assistant Professor	3,165	5,719	12.56	6,437

TABLE 4

UNIVERSITY OF CALIFORNIA

Percentage Change in UC 1982-83 All Ranks Average Cost of Fringe Benefits Required to Equal the Comparison Group Projections for 1983-84, Based Upon Compound Rate of Increase in Average Fringe Benefit Costs (Equal Weight to Each Comparison Institution)

Academic Rank	UC Average Cost of Fringe Benefits[1] 1982-83	Comparison Group Average Cost of Fringe Benefit Projections 1983-84	Percentage Change Required in UC 1981-82 Average Cost of Fringe Benefits
(1)	(2)	(3)	(4)
Professor	$10,973	$10,103	- 7.93%
Associate Professor	7,837	7,538	- 3.82
Assistant Professor	6,751	6,437	- 4.65
All Ranks Average	9,655[2]	8,993[2]	- 6.86
Less Adjustment for The Effect of a 18.52% Range Adjustment		-1,486	-15.39
Adjusted Parity Requirement		7,507	-22.25

1/ Based on $1,632.20 plus 22.43% of average salary.

2/ Based on projected UC 1983-84 staffing including estimated separations and new appointments but excluding the effects of projected merit increases and promotions: Professor, 3,138; Associate Professor, 1,087; Assistant Professor, 744. Total staff: 4,969.

APPENDIX F

California State University Salaries and Cost of Fringe Benefits 1983-84

TABLE 1

CALIFORNIA STATE UNIVERSITY

Actual 1982-83 and Projected 1983-84 Salaries for Comparison Group Based Upon Compound Rate of Increase in Average Salaries (Weighted by Total Faculty by Rank in Seventeen Reporting Comparison Institutions)

Academic Rank	Comparison Group Average of Average Salaries		Compound Rate of Increase	Comparison Group Projected Salaries
	1977-78	1982-83		1983-84
(1)	(2)	(3)	(4)	(5)
Professor	$26,293	$36,412	6.73%	$38,862
Associate Professor	19,973	27,929	6.94	29,866
Assistant Professor	16,139	22,622	6.99	24,203
Instructor	12,725	17,657	6.77	18,852

TABLE 2

CALIFORNIA STATE UNIVERSITY

Percentage Increase in CSU Estimated 1982-83 All Ranks Average Salary Required to Equal the Comparison Group Projections for 1982-83 and 1983-84 Based on Five-Year Compound Rate of Increase in Comparison Group Salaries (Weighted by Total Faculty by Rank in Seventeen Reporting Comparison Institutions)

Academic Rank	CSU Average Salaries	Comparison Group Salaries		Percentage Increase Required in CSU Salaries	
	1982-83	1982-83 (Actual)	1983-84 (Projected)	1982-83	1983-84
(1)	(2)	(3)	(4)	(5)	(6)
Professor	$35,427	$36,412	$28,862	+2.78%	+9.70%
Associate Professor	27,322	27,929	29,866	+2.22	+9.31
Assistant Professor	22,255	22,622	24,203	+1.65	+8.75
Instructor	19,594	17,657	18,852	-9.89	-3.79
All Ranks Average	31,331[1]	32,090[1]	34,271[1]	+2.42	+9.38
Less Turnover and Promotions			- 63		-0.20
Adjusted Total		31,953	34,033	+2.42	+9.18

1/ Based on CSU 1982-83 staffing: Professor, 6,553; Associate Professor, 2,646; Assistant Professor, 1,562; Instructor, 175. Total staff: 10,936.

TABLE 3

CALIFORNIA STATE UNIVERSITY

Projected 1983-84 Cost of Fringe Benefits for Comparison Group Based Upon Compound Rate of Increase in Average Fringe Benefit Costs (Weighted by Total Faculty by Rank in Seventeen Reporting Comparison Institutions)

Academic Rank	Comparison Group Average Cost of Fringe Benefits		Compound Rate of Increase	Comparison Group Projected Cost of Fringe Benefits
	1977-78	1982-83		1983-84
(1)	(2)	(3)	(4)	(5)
Professor	$4,317	$7,597	11.97%	$8,506
Associate Professor	3,486	6,072	11.74	6,785
Assistant Professor	2,809	4,863	11.60	5,427
Instructor	2,172	3,834	12.04	4,295

TABLE 4

CALIFORNIA STATE UNIVERSITY

Percentage Change in CSU 1982-83 All Ranks Average Cost of Fringe Benefits Required to Equal the Comparison Group Projections for 1983-84 Based Upon Compound Rate of Increase in Average Fringe Benefit Costs (Weighted by Total Faculty by Rank in all Comparison Institutions)

Academic Rank	CSU Average Cost of Fringe Benefits[1] 1982-83	Comparison Group Average Cost of Fringe Benefit Projections 1983-84	Percentage Change Required in CSU 1982-83 Average Cost of Fringe Benefits
(1)	(2)	(3)	(4)
Professor	$10,150	$8,506	-16.20%
Associate Professor	8,567	6,785	-20.80
Assistant Professor	7,212	5,427	-24.75
Instructor	6,236	4,295	-31.13
All Ranks Average	9,285[2]	7,582[2]	-18.34
Less 0.2% Turnover & Promotions, Automatic Salary/Benefit Adjustment, and an Adjustment for the Effect of a 9.18% Range Increase		- 522	-5.62
Adjusted Parity Requirements		$7,060	-23.96%

1/ Based on $3,538 plus 18.345 percent of average salary at each rank.

2/ Based on CSU 1982-83 staffing: Professor, 6,553; Associate Professor, 2,646; Assistant Professor, 1,562; Instructor, 175. Total staff: 10,936.

APPENDIX G

University of California Supplementary Information

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UNIVERSITY OF CALIFORNIA SYSTEMWIDE ADMINISTRATION

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Office of the Vice President
Academic and Staff Personnel Relations

BERKELEY, CALIFORNIA 94720

March 30, 1983

Mr. Patrick M. Callan, Director
California Postsecondary Education Commission
1020 Twelfth Street
Sacramento, California

Dear Director Callan:

On behalf of the University of California, I am pleased to submit three reports:

1. The Spring faculty salary comparison report (Tables A-1 through A-5);
2. The annual medical faculty salary report, and
3. An administrative salary comparison report.

The supplementary "B-Tables" will arrive shortly and be the subject of a separate letter.

Last spring I reported to you that my staff is experiencing increased difficulty in obtaining comparison data from the eight institutions. This year Cornell was unable to provide us with timely data. Their salary data was estimated according to a method agreed upon by our respective analysts.

Table A-5, submitted for the first time this year, omits Business/Management and Engineering faculty although these faculty are included in the salary comparisons. In future years, Business/Management and Engineering faculty will be included in Table A-5.

If you have questions concerning these reports, please contact Director Joseph B. Rodgers at (415) 642-8399, or Ms. JoAnn Rolley at (415) 642-8410, or our regular CPEC liaison Mr. Clive Condren.

Sincerely,

Ch Kyni
Archie Kleingartner
Vice President

enclosures

cc: President Saxon
Vice President Frazer
Assistant Vice President Blakely
Assistant Vice President Stover
Director Hershman
Director Rodgers
Director Condren
Special Assistant Paige
Associate Director O'Brien
Director of Finance Graves
Legislative Analyst Hamm
Principal Analyst Rolley

THE UNIVERSITY OF CALIFORNIA

OFFICE OF THE VICE PRESIDENT — ACADEMIC AND STAFF PERSONNEL RELATIONS

SPRING, 1983

TABLE A-1[1]

Projected Difference in Faculty Salaries: UC and Comparison Institutions

	Professor	Associate Professor	Assistant Professor	Average[2]
Comparison 8 Institutions[3]				
1982-83 Average Salaries	45,339	30,542	25,385	
1977-78 Average Salaries	30,386	20,646	16,365	
1983-84 Projected Salaries[4]	49,117	33,030	27,715	42,393
UC:				
1982-83 Average Salaries[5]	41,645	27,664	22,820	35,768
1983-84 Projected Staffing	3,138	1,087	744	
Percentage Increase Needed to adjust UC 1982-83 salaries to equal the projected 1983-84 average salaries	17.94	19.40	21.45	18.52

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[1] Salary data excludes health sciences.

[2] Averages based on projected 1983-84 UC staffing pattern.

[3] Comparison institutions: Cornell University, Harvard University, University of Illinois, University of Michigan (Ann Arbor), Stanford University, University of Wisconsin (Madison), Yale University, and SUNY-Buffalo. Computed from confidential data received from these comparison institutions.

[4] Compound annual growth rate over the five-year period is used for the one year projection.

[5] 1982-83 average salaries adjusted to include merits and promotions to be effective 7/1/83.

THE UNIVERSITY OF CALIFORNIA

OFFICE OF THE VICE PRESIDENT -- ACADEMIC AND STAFF PERSONNEL RELATIONS

SPRING, 1983

TABLE A-2[1]
Projected Difference in Fringe Benefits: UC and Comparison Institutions

	Professor	Associate Professor	Assistant Professor	Average[2]
Comparison 8 Institutions:				
1982-83 Average Fringe Benefits[1]	9,145	6,721	5,719	
1977-78 Average Fringe Benefits[1]	5,556	3,788	3,165	
1983-84 Projected Fringe Benefits[3]	10,103	7,538	6,437	8,993
UC:				
1982-83 Average Fringe Benefits[4]	10,973	7,837	6,751	9,655
Percentage Adjustment needed to make UC fringe benefits equal to the 1983-84 projected average comparison fringe benefits	-7.93	-3.82	-4.65	-6.86
Less (adjustment for the effect of 18.52 range adjustment):				15.39
Net adjustment needed to achieve parity:				-22.25

---

[1] Computed from confidential data received from comparison institutions.

[2] Average based on projected 1983-84 UC staffing pattern.

[3] Compound annual growth rate over the five-year period for each rank is used for the one year projection.

[4] Equivalent to an average of $1632.20 plus 22.43% of average salary.

THE UNIVERSITY OF CALIFORNIA

OFFICE OF THE VICE PRESIDENT -- ACADEMIC AND STAFF PERSONNEL RELATIONS

SPRING, 1983

TABLE A-3

Average UC Faculty Fringe Benefits
(Employer Contributions)

Retirement/FICA			20.97% of salary
Unemployment Insurance			.25% of salary
Workers' Compensation			.51% of salary
Health Insurance — Annuitants			.70% of salary
Dental Insurance	$ 226.00		
Health Insurance	1,336.00		
Life Insurance	16.20		
Non-Industrial Disability Insurance	54.00		
TOTAL	$1,632.20	plus	22.43% of salary

SOURCE: Assistant Vice President--Budget, Analysis and Planning

THE UNIVERSITY OF CALIFORNIA

OFFICE OF THE VICE PRESIDENT--ACADEMIC AND STAFF PERSONNEL RELATIONS

SPRING, 1983

TABLE A-4

Average Comparison Institution Salaries

Institution	Professor	Associate Professor	Assistant Professor
		1982-83	
A	50,271 (2)	35,800 (1)	28,286 (1)
B	38,500 (8)	27,556 (8)	23,992 (7)
C	45,676 (4)	32,129 (2)	25,154 (5)
D	49,154 (3)	29,066 (6)	23,010 (8)
E	41,854 (6)	30,580 (3)	25,659 (3)
F	43,119 (5)	30,279 (5)	25,201 (4)
G	40,582 (7)	28,390 (7)	25,100 (6)
H	53,553 (1)	30,533 (4)	26,677 (2)
Average	45,339	30,542	25,385
		1977-78	
A	32,210 (3)	21,847 (1)	17,488 (1)
B	26,666 (8)	19,296 (8)	16,473 (4)
C	30,815 (4)	21,358 (2)	16,104 (5)
D	32,307 (2)	20,540 (5)	15,355 (8)
E	29,270 (6)	20,888 (4)	16,597 (3)
F	30,179 (5)	20,493 (6)	16,101 (6)
G	27,980 (7)	19,815 (7)	16,071 (7)
H	33,661 (1)	20,928 (3)	16,733 (1)
Average	30,386	20,646	16,365

Confidential data received from comparison institutions include 9- and 11-month full-time salaries for all schools and colleges except health sciences.

THE UNIVERSITY OF CALIFORNIA

OFFICE OF THE VICE PRESIDENT -- ACADEMIC AND STAFF PERSONNEL RELATIONS

SPRING, 1983

TABLE A-5

FTE: MEMBERS OF THE PROFESSOR SERIES
(EXCLUDING BUSINESS MANAGEMENT & ENGINEERING PROFESSORS)
GENERAL CAMPUSES AND HEALTH SCIENCES, COMBINED

RANK	STEP	9-MONTH FTE	11-MONTH FTE	TOTAL FTE
ASSISTANT PROFESSOR	I	50.83	40.00	90.83
	II	119.05	34.10	153.15
	III	438.73	236.10	674.83
	IV	125.44	52.12	177.56
	V	45.50	12.25	57.75
	VI	8.50	1.00	9.50
	Sub - T	788.05	375.57	1,163.62
ASSOCIATE PROFESSOR	I	202.67	45.54	248.21
	II	249.81	31.41	281.22
	III	434.09	53.36	487.45
	IV	177.30	11.95	189.25
	V	4.67	19.43	24.10
	Sub - T	1,068.54	161.69	1,230.23
PROFESSOR	I	299.81	48.78	348.59
	II	385.61	105.03	490.64
	III	382.00	63.93	445.93
	IV	754.41	13.38	767.79
	V	93.54	74.69	168.23
	VI	254.82	45.23	300.05
	VII	158.08	27.22	185.30
	A/S	209.71	26.00	235.71
	Sub - T	2,537.98	404.26	2,942.24
GRAND TOTAL		4,394.57	941.52	5,336.09

UNIVERSITY OF CALIFORNIA SYSTEMWIDE ADMINISTRATION

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Office of the Vice President--Academic
and Staff Personnel Relations

BERKELEY, CALIFORNIA 94720

April 4, 1983

Mr. Kenneth O'Brien
Associate Director for Academic Affairs
California Postsecondary Education Commission
1020 Twelfth Street
Sacramento, California 95814

Dear Ken:

Vice President Kleingartner recently forwarded to your organization the biannual "A" tables on faculty salaries and fringe benefits. At that time, he said that you would be receiving the supplementary "B" tables in a new format under separate cover. I am now pleased to be able to present to you the "B" tables for 1982 incorporated into a new publication from my unit; the Annual Academic Personnel Statistical Report. This report is intended to provide for the first time a thorough collection of data on academic personnel. The "B" tables have been incorporated into the report.

You will notice that the format of the reports and, in some cases, the titles, have been changed. For ease of reference, you will find attached a matrix indicating the former title and number of each "B" table and the new title, number, and page number. The information itself, with one exception, remains the same as that you have customarily received. To meet needs of as many users as possible, one of our source reports has been adjusted this year to provide data in a slightly different format than in previous years. For this reason, you will note that promotion data for 1982 appears in consolidated form rather than for 9- and 11-month appointees.

It is my hope that you will find the wealth of information in this report useful. This is the first time the University has been able to provide data of this type, and we have made every attempt to anticipate various users' needs. In future versions of this report we hope to be able to provide additional data on academic personnel. Needs which cannot be met by reference to the Annual Academic Personnel Statistical Report and which would require additional data collection efforts should be addressed to the University through customary channels.

Please do not hesitate do contact my staff in the event questions arise concerning this report.

Sincerely,

Edward J. Blakely
Assistant Vice President

Attachments

cc: Vice President Kleingartner
Director Condron
Director Hershman
Director Rodgers
Coordinator Crooks

OLD B TABLE NUMBER AND TITLE		NEW B TABLE NUMBER, TITLE AND PAGE NUMBER	
B-1	Full-Time Academic Appointees in the Professorial Titles, by FTE, General Campuses	I-C	Full-Time Academic Appointees in the Professorial Titles, FTE by Rank, General Campuses. Page 18. Please note that 1982 data is attached separately.
B-2	Headcount and Percent of Full-Time Academic Appointees in Selected Titles, Including Those with Tenure or Security of Employment, General Campuses	I-D	Percent of Full-Time Faculty and Equivalent Ranks with Tenure or Security of Employment to Total Faculty and Equivalent Ranks, by Appointment Basis, by Rank, General Campuses. Page 19. Please note that 1982 data is attached separately.
B-3	Origins of Recruitment of New Appointees in the Professorial Series, by Headcount, General Campuses	II-B	Origins of Recruitment of New Academic Appointees in the Professorial Series, Headcount by Rank, General Campuses. Page 38.
B-4	Destinations of Voluntary Separations within the Professorial Series, by Headcount, General Campuses	II-G	Destination of Voluntary Separations within the Professorial Series, Headcount by Rank, General Campuses. Page 46.
B-5	Promotions within the Professorial Series, by Headcount, General Campuses	II-E	Promotions within the Professorial Series, Headcount by Rank, General Campuses. Page 43.

UNIVERSITY OF CALIFORNIA

FULL-TIME ACADEMIC APPOINTEES IN THE PROFESSORIAL SERIES
Full-Time Equivalent (FTE) by Rank, General Campuses
As of October 31, 1981

Rank	FTE	Percent of Total FTE
Professor	2,756.72	60.0
Associate Professor	1,086.98	24.0
Assistant Professor	717.94	16.0
Instructor	--	--
TOTAL	4,561.64	100.0

SOURCE: Corporate Personnel System:

Academic Personnel Report 5, Full-Time/Part-Time Appointees in Selected Academic Titles, Headcount and FTE: General Campuses Followed by Health Sciences, As of October 31, 1981.

Table IC

UNIVERSITY OF CALIFORNIA

PERCENT OF FULL-TIME FACULTY AND EQUIVALENT RANKS WITH TENURE OR SECURITY OF EMPLOYMENT TO TOTAL FACULTY AND EQUIVALENT RANKS

By Appointment Basis, by Rank, General Campuses
As of October 31, 1981

Appointment Basis and Rank	Headcount—Total Full-Time Faculty and Equivalent Ranks	Headcount--Full-Time Faculty and Equivalent Ranks with Tenure or Security of Employment	Percent--Full-Time Faculty and Equivalent Ranks with Tenure or Security of Employment to Total Population
9-MONTH BASIS			
Professor	2,930	2,832	97.0
Associate Professor	1,172	1,088	93.0
Assistant Professor	869	--	--
Instructor	64	--	--
Subtotal	5,035	3,920	78.0
Lecturer	977	109	11.0
Total	6,012	4,028	67.0
11-MONTH BASIS			
Professor	457	453	99.0
Associate Professor	166	164	99.0
Assistant Professor	157	--	--
Instructor	--	--	--
Subtotal	780	617	79.0

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Table ID

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PERCENT OF FULL-TIME FACULTY AND EQUIVALENT RANKS WITH TENURE OR SECURITY OF EMPLOYMENT TO TOTAL FACULTY AND EQUIVALENT RANKS (cont.)

Appointment Basis and Rank	Headcount—Total Full-Time Faculty and Equivalent Ranks	Headcount—Full-Time Faculty and Equivalent Ranks with Tenure or Security of Employment	Percent—Full-Time Faculty and Equivalent Ranks with Tenure or Security of Employment to Total Population
Lecturer	19	5	26.0
Total	799	622	77.8
GRAND TOTAL	6,811	4,650	68.3

SOURCE: Corporate Personnel System:

Academic Personnel Report 5, Full-Time/Part-Time Appointees in Selected Academic Titles, Headcount and FTE: General Campuses Followed by Health Sciences, As of October 31, 1981.

UNIVERSITY OF CALIFORNIA

ORIGINS OF RECRUITMENT OF NEW ACADEMIC APPOINTEES IN THE PROFESSORIAL SERIES
Headcount by Rank, General Campuses
1981-82

Prior Employer	Total	Professor	Associate Professor	Assistant Professor	Instructor
Department of Energy Laboratory	3	3	—	—	—
Government	13	2	2	9	—
Industry	14	1	2	11	—
Student	29	1	1	28	—
Unknown	1	—	—	1	—
Institution - Foreign	15	2	3	10	—
Institution - USA					
Amherst College	2	—	1	1	—
Boston University	1	—	—	1	—
California College of Arts and Crafts	1	—	—	1	—
California Institute of Technology	3	1	1	1	—
California State University - Dominguez Hills	1	—	—	1	—
California State University - Fresno	1	—	—	1	—
California State University - Fullerton	1	—	1	—	—
Carnegie-Mellon University	2	—	—	2	—
City University of New York - Queens College	1	—	—	1	—
Columbia University - Barnard College	2	—	1	1	—
Columbia University - Columbia College	2	—	—	2	—
Cornell University	2	—	—	2	—
Denison University	1	—	—	1	—
Duke University	1	—	—	1	—
Harvard University	7	1	—	6	—
Iowa State University	1	—	—	1	—
Johns Hopkins University	1	—	—	1	—
Massachusetts Institute of Technology	3	1	—	2	—
Michigan State University	2	—	—	2	—
Mount Holyoke College	1	—	1	—	—
New Mexico State University	1	—	—	1	—

ORIGINS OF RECRUITMENT OF NEW ACADEMIC APPOINTEES IN THE PROFESSORIAL SERIES (cont.)

Prior Employer	Total	Professor	Associate Professor	Assistant Professor	Instructor
Institution - USA (cont.)					
Ohio State University	1	—	1	—	—
Oklahoma State University	1	—	—	1	—
Princeton University	3	—	—	3	—
Purdue University	1	—	—	1	—
Rockefeller University	2	—	—	2	—
San Francisco State University	1	—	—	1	—
Stanford University	4	1	—	3	—
State University of New York - Binghamton	1	—	—	1	—
State University of New York - Buffalo	1	1	—	—	—
State University of New York - Purchase	1	—	1	—	—
Texas Woman's University	1	—	—	1	—
University of California	49	12	5	32	—
University of Chicago	2	1	—	1	—
University of Cincinnati	1	—	—	1	—
University of Colorado	2	—	1	1	—
University of Delaware	2	—	—	2	—
University of Denver	1	—	1	—	—
University of Florida	1	—	—	1	—
University of Hawaii	1	1	—	—	—
University of Illinois - Chicago Circle	1	—	—	1	—
University of Illinois - Urbana	1	—	—	1	—
University of Maryland	1	—	—	1	—
University of Massachusetts	1	—	1	—	—
University of Michigan	1	1	—	—	—
University of Minnesota	2	—	—	2	—
University of Pennsylvania	3	1	—	2	—
University of Rochester	1	—	—	1	—
University of San Francisco	1	1	—	—	—
University of Southern California	1	1	—	—	—
University of Washington	4	2	1	1	—
Utah State University	2	1	—	1	—

ORIGINS OF RECRUITMENT OF NEW ACADEMIC APPOINTEES IN THE PROFESSORIAL SERIES (cont.)

Prior Employer	Total	Professor	Associate Professor	Assistant Professor	Instructor
Institution - USA (cont.)					
Villanova University	1	--	--	1	--
Wayne State University	1	--	1	—	--
Yale University	4	1	—	3	--
York College	1	--	--	1	--
TOTAL	219	37	25	157	--

SOURCE: Corporate Personnel System:

Academic Personnel Report 10, Origins of New Appointees within the Professorial Series (Headcount): General Campuses Only. As of July 1, 1981 - June 30, 1982.

Table IIB

UNIVERSITY OF CALIFORNIA

DESTINATION OF VOLUNTARY SEPARATIONS WITHIN THE PROFESSORIAL SERIES
Headcount by Rank, General Campuses
1981-82

Destination	Total	Professor	Associate Professor	Assistant Professor	Instructor
Department of Energy Laboratory	1	1	—	—	—
Government	2	1	—	1	—
Industry	13	1	4	8	—
Not Employed	20	19	1	—	—
Self Employed	2	—	1	1	—
State of California	1	—	—	1	—
Student	1	1	—	—	—
Unknown	19	3	—	16	—
Institution - Foreign	3	1	2	—	—
Institution - USA					
Brooklyn Law School	1	1	—	—	—
Brown University	1	1	—	—	—
California Institute of Technology	2	2	—	—	—
City University of New York - Hunter College	1	—	1	—	—
Cornell University	1	1	—	—	—
Duke University	1	1	—	—	—
Georgetown University	1	1	—	—	—
Johns Hopkins University	1	1	—	—	—
Ohio State University	1	—	—	1	—
Pennsylvania State University	1	—	—	1	—
Purdue University	1	—	1	—	—
Rice University	1	1	—	—	—
San Francisco State University	1	1	—	—	—
Stanford University	2	2	—	—	—
State University of New York - Stony Brook	1	1	—	—	—
Swarthmore College	1	1	—	—	—
University of Alaska-Southeastern	1	—	—	1	—
University of Arizona	2	2	—	—	—

Table IIG

DESTINATION OF VOLUNTARY SEPARATIONS WITHIN THE PROFESSORIAL SERIES (cont.)

Destination	Total	Professor	Associate Professor	Assistant Professor	Instructor
Institution - USA (cont.)					
University of California	6	4	1	1	—
University of Connecticut	1	—	—	1	—
University of Denver	1	1	—	—	—
University of Florida	1	—	1	—	—
University of Illinois Urbana	1	1	—	—	—
University of Michigan	1	—	—	1	—
University of Minnesota	1	1	—	—	—
University of Mississippi	1	1	—	—	—
University of Montana	1	—	—	1	—
University of Oregon	1	—	—	1	—
University of Pennsylvania	1	—	1	—	—
University of Santa Clara	1	—	—	1	—
University of Southern California	1	—	—	1	—
University of Utah	2	—	—	2	—
University of Wisconsin	2	1	—	1	—
TOTAL	105	52	13	40	—

SOURCE: Corporate Personnel System:

Academic Personnel Report 11, Destination of Voluntary Separations within the Professorial Series (Headcount): General Campuses Only. As of July 1, 1981 - June 30, 1982.

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UNIVERSITY OF CALIFORNIA

PROMOTIONS WITHIN THE PROFESSORIAL SERIES
Headcount by Rank, General Campuses
1981-82

Rank	Total
Associate Professor	137
Professor	129
TOTAL	266

SOURCE: Corporate Personnel System:

Academic Personnel Report 4, Appointments to, Promotions to, and Separations from Selected Academic Titles: Total Campuses Followed by Health Sciences, by Sex, Headcount, and FTE. As of July 1, 1981 - June 30, 1982.

Table IIE

APPENDIX H

California State University Supplemental Information

THE CALIFORNIA STATE UNIVERSITY

BAKERSFIELD · CHICO · DOMINGUEZ HILLS · FRESNO · FULLERTON · HAYWARD · HUMBOLDT
POMONA · SACRAMENTO · SAN BERNARDINO · SAN DIEGO · SAN FRANCISCO · SAN JOSE

LONG BEACH · LOS ANGELES · NORTHRIDGE
SAN LUIS OBISPO · SONOMA · STANISLAUS

OFFICE OF THE CHANCELLOR
(213) 590- 5584

March 22, 1983

Mr. William Storey
California Postsecondary Education
  Commission
1020 Twelfth Street
Sacramento, CA 95814

Dear Bill:

This letter is to transmit to the Commission the data required for the Commission's report on faculty and administrative salaries in the CSU and in comparison institutions identified by the Commission.

Please note that CSU fringe benefit data are presented in two different ways, first, as reported to the National Center for Educational Statistics and, secondly, as estimated using the PERS contribution rates predicated for the 1983-84 budget year.

If you have any questions regarding these data, please call me at 8-635-5584.

Sincerely,

Thierry F. Koenig
Personnel Analyst
Faculty and Staff Affairs

TFK/nf

Enclosure

cc: Dr. Smart
    Dr. Tyndall
    Mr. Lahey

400 GOLDEN SHORE, LONG BEACH, CALIFORNIA 90802

INFORMATION: (213) 590-5506

OFFICE OF THE CHANCELLOR
THE CALIFORNIA STATE UNIVERSITY

1982-83 ADMINISTRATIVE SALARIES

POSITION	COMPARISON INSTITUTIONS NO. REPORTED	COMPARISON INSTITUTIONS AVERAGE SALARY	CSU NO. REPORTED	CSU AVERAGE SALARY	CSU LAG*
Chief Executive Officer Multi-campus	3	78,127	1	80,000	(2.4%)
Chief Executive Officer Single campus	15	66,657	19	69,613	(4.4)
Chief Academic Officer	15	62,256	19	53,879	15.5
Chief Business Officer	11	57,211	18	47,795	19.7
Dean of Agriculture	4	58,981	5	48,072	22.7
Dean of Arts & Sciences	15	54,647	16	47,933	14.0
Dean of Business	14	56,796	16	47,933	18.5
Dean of Education	15	53,855	15	47,220	14.1
Dean of Engineering	7	61,620	9	48,072	28.2
Dean of Graduate Studies	11	53,986	7	47,148	14.5
Dean of Undergraduate Studies	1	N/A	6	48,072	N/A
Director of the Library	14	49,138	18	47,587	3.3
Director of Institutional Research	11	40,325	13	44,429	(10.2)
Director of Athletics	9	45,884	12	41,338	11.0
Director of Personnel	15	38,929	17	35,243	10.5
Director of Physical Plant	15	44,089	16	38,711	13.9
Director of Computer Services	13	44,639	17	45,335	(1.6)
Chief Budgeting Officer	11	46,620	12	36,676	27.1
Director of Campus Security	14	31,906	19	38,289	(20.0)
Director of Financial Aid	15	32,849	15	36,845	12.2

*Values in parentheses show CSU ahead of comparison institution data.

OFFICE OF THE CHANCELLOR
THE CALIFORNIA STATE UNIVERSITY

FALL 1982 SALARIES AND BENEFITS OF CSU FULL-TIME FACULTY

	HEADCOUNT	AVERAGE SALARY	AVERAGE BENEFITS	ADJUSTED BENEFITS**
Professors	6,553	$35,427	$8,611	$10,150
Associate Professors	2,646	27,322	7,380	8,567
Assistant Professors	1,562	22,255	6,245	7,212
Instructors	175	19,594	5,385	6,236
TOTAL:	10,936	$31,331	$7,924*	$ 9,285

*Based on $3,538 plus 14% of average salary.

**Benefits calculated with 18.345% contribution rate to PERS.

OFFICE OF THE CHANCELLOR
THE CALIFORNIA STATE UNIVERSITY

FALL 1982 COMPARISON INSTITUTION DATA

		EXPENDITURES		AVERAGE	
	NUMBER	SALARIES	BENEFITS	SALARIES	BENEFITS
Professors	6,176	224,883,370	46,918,518	36,412	7,597
Associate Professors	5,070	141,599,766	30,783,706	27,929	6,072
Assistant Professors	4,315	97,614,607	20,985,915	21,663	4,863
Instructors	1,074	18,963,186	4,117,295	17,657	3,834

All institutions reporting.

OFFICE OF THE CHANCELLOR
THE CALIFORNIA STATE UNIVERSITY

CSU ACADEMIC YEAR FACULTY
WITH TENURE AND WITH DOCTORATE
FALL 1982

	HEADCOUNT	NO. W/TENURE		NO. W/DOCTORATE	
Professor	6,631	6,346	95.7%	5,488	82.8%
Associate Professor	2,757	1,973	71.6%	1,859	67.4%
Assistant Professor	1,612	189	11.7%	731	45.3%
Instructor	177	--	—	3	1.7%
TOTAL:	11,177	8,508	76.1%	8,081	72.3%

Office of the Chancellor
The California State University

CSU
Comparison Institutions Data

Fall 1977 Data *

		Expenditures		Average	
Rank	Number	Salaries	Fringe Benefits	Salary	Fringe Benefits
Professor	5,462	$143,613,379	$23,581,826	$26,293	$4,317
Associate Professor	4,845	96,770,247	16,889,875	19,973	3,486
Assistant Professor	[illegible]	79,453,298	13,836,660	16,119	2,809
[illegible]	[illegible]	16,898,453	2,834,043	[illegible]	2,172

APPENDIX I

University of California Medical Faculty Salaries
1982-83

UNIVERSITY OF CALIFORNIA

1982-83 MEDICAL SCHOOL FACULTY SALARY SURVEY

Medicine
Department

February 1983
Date

Code	Rank	Professor	Rank	Associate Professor	Rank	Assistant Professor
B	1	$108,100	5	$ 66,900	2	$ 56,600
D	2	95,814	1	77,799	1	70,572
F	3	91,867	2	76,121	3	55,342
UC	4	86,545	6	64,206	4	55,100
E	5	84,241	3	68,992	5	52,714
G	6	84,000	4	67,000	6	52,000
A	7	81,762	8	62,233	8	49,257
C	8	75,058	7	62,519	7	49,334
Average Income		$ 88,423		$ 68,221		$ 55,115
Standard Deviation		$ 10,122		$ 5,885		$ 6,807

UNIVERSITY OF CALIFORNIA

1982-83 MEDICAL SCHOOL FACULTY SALARY SURVEY

Pediatrics	February 1983
Department	Date

Code	Rank	Professor	Rank	Associate Professor	Rank	Assistant Professor
B	1	$ 93,500	1	$ 69,600	1	$ 57,000
F	2	86,246	3	63,821	5	49,820
UC	3	81,751	4	61,460	6	49,418
E	4	78,831	7	58,342	8	41,456
D	5	78,510	5	60,815	2	51,183
A	6	77,607	8	57,171	7	47,342
G	7	77,000	2	64,000	3	51,000
C	8	69,301	6	59,166	4	50,425
Average Income		$ 80,343		$ 61,797		$ 49,706
Standard Deviation		$ 7,133		$ 3,985		$ 4,331

UNIVERSITY OF CALIFORNIA

1982-83 MEDICAL SCHOOL FACULTY SALARY SURVEY

Surgery Department	February 1983 Date

Code	Rank	Professor	Rank	Associate Professor	Rank	Assistant Professor
D	1	$146,285	2	$108,863	3	$ 83,837
G	2	134,000	3	100,000	6	74,000
B	3	133,300	6	88,600	5	76,800
UC	4	132,744	5	94,681	4	77,447
F	5	130,323	4	99,243	1	90,489
C	6	127,077	1	130,182	2	89,060
E	7	109,303	7	85,575	7	71,657
A	8	93,914	8	58,321	8	38,434
Average Income		$125,868		$ 95,683		$ 75,216
Standard Deviation		$ 16,485		$ 20,509		$ 16,361

Office of the President
March, 1979

UNIVERSITY OF CALIFORNIA

REPORT ON MEDICAL SCHOOL CLINICAL COMPENSATION PLANS AND CLINICAL FACULTY SALARIES

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B. Brief Descriptions of the Medical Compensation Plans at the Eight Comparison Medical Schools 19

UNIVERSITY OF CALIFORNIA

Report on Medical School Clinical Compensation Plans and Clinical Faculty Salaries

This report responds to Item 322 of the 1978 Conference Committee's Supplemental Report on the Budget Bill which recommends that:

> UC shall report to CPEC annually on (1) its full-time clinical faculty salaries and those of its comparison institutions (including a description of the type of compensation plans utilized by each UC school and each comparison institution) and (2) the number of compensation plan exceptions in effect at each UC school.

This report discusses the issues in the above supplemental language by providing:

1. a description of the type of compensation plans utilized by each UC school and each comparison institution (Section I);
2. a discussion of the University's full-time clinical faculty salaries and those of its comparison institutions (Section II); and
3. a report on compensation plan exceptions (Section III).

I. Clinical Compensation Plans

General

Clinical compensation plans are compensation arrangements created by medical schools to provide competitive income for physicians and other faculty with direct patient-care responsibility as well as to further the academic goals of the medical schools. As stated by the Association of American Medical Colleges (AAMC) in their December, 1977 report on An In-Depth Study of Seven Medical Practice Plans,

> "The most commonly stated plan objective is the attraction and retention of quality faculty through the provision of acceptable compensation levels not achievable through other salary sources. An additional objec-

tive quite prevalent among the . . . plans is the use of plan revenue to help achieve departmental and schoolwide program enrichment with stable, flexible funds."

The AAMC reviewed the medical practice plans of the 112 M.D. degree-granting fully acredited medical schools in the U.S. and concluded that the plans could be characterized by the degree of central control exercised over the details of the plans' operations, along a "centralized/decentralized" axis. A summary of the three basic types of clinical compensation plans was developed by the AAMC as follows:

Type A - a highly centralized compensation approach, characterized by two basic and interrelated features. First, all patient-care fees are collected and deposited to central accounts, usually with few references to the origin of the bill beyond the requirements of accurate bookkeeping and physician liability and accountability for services rendered. Second, physicians are placed on either individually set or departmentally fixed incomes based on a predetermined compensation schedule which recognizes such features as academic rank, previous or current clinical services, and additional merit or service features.

Type B - an intermediate arrangement in which some common policy framework exists for patient-care fee collection and disbursement. In this approach a general policy is set for all medical school faculty with patient-care responsibilities, requiring that they follow specified billing and collection procedures through a central office or departmental offices. Compensation is determined by a formula which recognizes the productivity of patient-care activities as well as academic factors such as rank and scholarship. Such compensation arrangements usually set broad ranges for total compensation, recognizing the aforementioned features, with set maxima either by department, school, or specialty.

Type C - the least disciplined arrangement, which allows wide variation by individual department or among specialties as to how patient-care fees are collected and subsequently distributed. The most extreme example permits the faculty member to bill and retain virtually all of the billable practice income with some requirement to reimburse the institution for overhead cost (office space, hospital fees, etc.).

Table 2 (p. 11), provides a further description of this medical practice plan typology, indicating by directional arrows the kind of movement that typically occurs in the organization of a practice plan--from no plan to decentralized, to intermediate, and to centralized.

University of California Uniform Medical School Clinical Compensation Plan

The University of California uniform Medical School Clinical Compensation Plan, approved by The Regents in November, 1977 for implementation in 1978, falls within the Type B category. It provides a uniform framework for patient-care billing and sets uniform compensation maxima based on academic rank and step. The Plan provides sufficient flexibility so that specific parameters for the various medical specialties or disciplines within the same department may be established as long as the maximum compensation arrangements established by the Plan are not exceeded.

The key features of this Plan are:

1. The eleven-month regular faculty salary scale approved by The Regents for each faculty rank forms the base salary for all medical school ladder rank faculty. There is no differential in the base salary between medical school faculty and general campus faculty.
2. Arrangements for compensation in addition to the base salary are limited to three types.
   a. Negotiated Income - This is an amount of additional compensation

determined by a department or school that a clinician can earn via contribution of income from patient-care (and certain other specified income sources) to a group or pooled income system. There is an absolute ceiling on this amount, as discussed below.

b. Income Limitation Arrangements - These are arrangements whereby the faculty member may retain, subject to assessments, income directly from patient-care activities. Assessments are progressive and reach a nearly confiscatory level at approximately three times the faculty member's base salary.

c. Combination Plans - These are arrangements whereby faculty members share a predetermined portion of a pooled amount and are allowed to retain individual earnings beyond that amount up to a maximum ceiling.

3. Membership in this Plan is mandatory for all clinical faculty with patient-care responsibility who hold an appointment at 50% or more time, and all income from professional services performed by these faculty is subject to the terms of the Plan.

4. Accounting standards and monitoring practices are specified in the guidelines for implementation of this Plan. Along with the Plan and guidelines, accounting procedures have been developed which are consistent with the Plan objectives.

Comparison Data Survey

One of the principal features of the uniform Medical School Clinical Compensation Plan is a provision for periodic review of the established compensation maxima. In Section IV (Compensation), which sets forth the formulae for deriving maximum compensation, provision IV.B.6 states:

> Compensation levels and assessment rates will be reviewed periodically by the Vice President--Academic and Staff Personnel Relations in light of comparison data from University of California Medical Schools as

well as from other comparison institutions. On the basis of the Vice President's report, the President, after consultation with the Academic Senate, may recommend adjustments in the compensation levels in this Plan to The Regents.

A set of comparison institutions was selected and a statistical method adopted that would yield the requisite data to satisfy this provision of the Medical School Clinical Compensation Plan as well as the requirement for an annual report to the California Postsecondary Education Commission.

Selection of Comparison Institutions

Eight institutions that represent comparable programs were selected from public and private sectors. Five of the institutions are public in character and three are private. The institutions selected represent a diverse spectrum and sufficient variation of settings and practice plan arrangements to provide valid comparisons. Appendix B (see pp. 19-20) provides a brief description of the various compensation plans used by the comparison institutions.

Comparison Institutions

Name	Public or Private	Compensation Plan
*Stanford	Private	yes
State Univ. of New York-Upstate Medical School	Public	yes
Univ. of Chicago	Private	yes
*Univ. of Illinois	Public	no
*Univ. of Michigan	Public	yes
Univ. of Texas, Houston	Public	yes
*Univ. of Wisconsin	Public	yes
*Yale University	Private	yes

The comparison institutions included five that are also in the general campus survey (noted by asterisks). In addition, the University of Texas, Houston, and the State University of New York-Upstate Medical School were selected because they are part of larger multicampus systems with more than one medical school.

II. Compensation Survey

A. Data Collection

Compensation plan information was obtained from the eight comparison medical schools by means of a questionnaire (see Appendix A, pp. 16-18). The questionnaire was followed by phone calls, and a special meeting which took place during the October, 1978 meeting of the AAMC in New Orleans. At that special meeting of the comparison schools, there was an extended discussion of the practical aspects of medical salary and practice plan management, and arrangements were made to meet and/or consult each year and to regularly exchange data. Further, Mr. William L. Storey, Higher Education specialist with the California Postsecondary Education Commission, was consulted about this comparison study, and has agreed to meet to discuss in detail the methodology and conclusions.

B. Selection of Departments and Disciplines

Comparison of medical schools' salaries raises problems which do not occur in comparing salaries of general campuses. On general university campuses, overall salary averages for a given professorial rank are a good reflection of what the individual faculty member is actually paid at that rank. In medical schools, however, there is great variation in individual salaries, and an overall salary average for a given medical school is statistically unreliable. For that reason, it was not possible to use overall salary averages from the comparison medical schools in this study. Statistics from the annual AAMC report of clinical salaries were similarly of little utility since they tend to aggregate salaries from a variety of clinicians, both full and part-time, without sufficient disaggregation in the sample to make the data useful for this survey. The method that was devised to avoid the above problems was to select a stratified sample of three clinical specialties which are commonly found in schools of medicine and which typically represent a range of compensation within medical schools. The three clinical specialties selected are (a) Pediatrics, typically at a lower level of compensation; (b) Medicine, typically at a mid-level compensation; and (c) Surgery, typically at a higher compensation. These three clinical specialties are taken as representative of the medical schools at large and are used as the base for developing the data for this study. The salary data received from the thirteen medical schools (five from UC and eight from comparison insitutions) are treated as follows: a single weighted-average compensation is constructed from the five UC medical school responses for each of the three specialties. That weighted average is displayed in a ranked table (ranked by professorial compensation) together with the responses from the eight comparison medical schools (see Tables 3, 4, and 5, pp. 12, 13, and 14).

C. The Method

For each of the specialties a simple average of the resulting table of nine weighted averages is then calculated, as well as the standard deviation, and entered at the bottom of each of Table 3, 4 and 5. The single average for the five medical schools is examined in each of the three ranked tables to determine where that average falls within the sample of nine weighted averages; i.e., whether or not that particular average deviates significantly from the general average. The tables reflect the following:

a. where the UC average falls within one standard deviation;

b. where the UC average is with respect to the average for the group as a whole; and

c. whether the UC average is within one standard deviation of the group average.

If the UC average is, in fact, within one standard deviation from the group average, then the UC average can be considered to be not statistically different from that of the group as a whole.

D. Results of the Clinical Salary Comparison and University of California Standing in Each Category

Tables 3, 4, and 5 (see pp. 12, 13, and 14) indicate that the University's average compensation is consistent with the overall average for each specialty, as displayed below:

AVERAGE FULL PROFESSOR COMPENSATION - ABSTRACTED FROM TABLES 3, 4, 5.

Medicine		Pediatrics		Surgery	
High	67,000	High	67,000	High	88,000
Average	60,440	UC	59,000	Average	79,440
UC	59,000	Average	57,560	UC	75,000
Low	54,000	Low	51,000	Low	67,000

From the table above, the following conclusions are drawn:

1. In Medicine (Table 3, p.12), average professorial compensation ranges from a high of $67,000 per year to a low of $54,000, with an average of $60,440. The UC average for Medicine is $59,000, slightly below the group average.

2. In Pediatrics (Table 4, p.13), average professorial compensation ranges

from a high of $67,000 per year to a low of $51,000, with an average of $57,560. The UC average for Pediatrics is $59,000, slightly (but not significantly) higher than the group average (within one standard deviation from the average).

3. In Surgery (Table 5, p. 15), average professorial compensation ranges from a high of $88,000 per year to a low of $67,000, with an average of $79,440. The UC average for Surgery is $75,000, somewhat (but not significantly) below the group average.

Within each of the three specialties, the spread of salaries is not great, supporting the assumption that the selected medical schools are comparable. In each of the tables for the three specialties, the University's average compensation is close to the overall average, as is displayed in the table above. For these reasons, the compensation being paid in University of California medical schools can be considered to be representative, competitive and appropriate. Therefore, there appears to be no need at this time to alter the current compensation formulas.

III. Exceptions to the Plan

Requests for exceptions, including individual exceptions, to the Medical School Clinical Compensation Plan may originate with the individual department, and, subject to approval by the Dean, are then forwarded to the campus Chancellor for the next approval step. The Chancellor then consults with the campus Academic Senate. If the Chancellor approves the exception, the request is recommended to the President for final approval. All approved exceptions to compensation limits must be reported to the Board of Regents.

As part of the implementation of the Plan it was agreed that certain limited existing arrangements would be permitted to continue. Other than these exceptions, no individual exceptions have been made. Irvine has been permitted to delay implementation of the Plan until January, 1980 in order to accommodate the campus conversion from a gross to a net clinical fee compensation plan.

TABLE 1

COMPARISON INSTITUTIONS - MEDICAL SCHOOLS

Stanford University

State University of New York -
Upstate Medical School

University of Chicago

University of Illinois

University of Michigan

University of Texas, Houston

University of Wisconsin

Yale University

TABLE 2

MEDICAL PRACTICE PLAN TYPOLOGY

PLAN FEATURES	TYPE A Centralized ←———	TYPE B Intermediate ←———	TYPE C ——— Decentralized
Organization & Participation			
• Structure	A discretely recognized entity, either within or external to the medical school, having its own personnel, budget and procedural guidelines.	A common framework for clinical practice activity exists within which departmental or specialty groups function.	A variety of clinical practice arrangements for academic departments or medical specialties are permitted.
• Policy Determination	All practicing clinicians are included and directly and/or indirectly through their representatives meet with institutional officials to focus only on clinical practice - related issues.	Most clinical disciplines are participants in deliberations about clinical practice - related issues identified by institutional officials.	Executive faculty and the dean consult as necessary during the routine conduct of general meetings.
Operations			
• Administration	A full-time manager supervises the day-to-day plan operation with responsibility for all administrative services supporting the practice of medicine.	A member of the dean's regular administrative staff is the locus for coordination of many plan support services.	Either the department head or his designate directs administrative support services.
• Fee Handling	All clinical practice related revenue flows through the Plan Office which renders bills, collects fees and disburses income.	Uniform procedures for billing, collection and disbursement of fees are implemented.	Options for billing, collection or disbursement of fees are available to academic departments or medical specialties.
Private Medical Schools	12	10	3
Public Medical Schools	21	16	5

The above table is taken from An In-Depth Study of Seven Medical Practice Plans--Association of American Medical Colleges, December, 1977, p. 14.

The arrows show the kind of movement that typically occurs in the organization of a practice plan, from no plan, to decentralized, to intermediate, and to centralized.

APPENDIX A

UNIVERSITY OF CALIFORNIA

Annual Medical School Faculty Salary Survey

Instructions

The form will be provided for three departments only, General Medicine, Pediatrics, and Surgery. Three categories of compensation are identified with definitions. These are:

1. Base or Guaranteed Component - the base salary derived from University of California salary scales for that rank and guaranteed by the University exclusive of fringe benefits;
2. University of California Uniform Medical School Clinical Compensation, or expected compensation, not including the base salary described in 1, above, which is received through or as a result of the operation of, and the individual faculty member's participation in, the University of California Uniform Medical School Clinical Compensation Plan, and
3. Grand Total Compensation - the sum of the monies associated with items 1 and 2 above, divided by the head count for that line of the questionnaire.

In each case, one calculates the average for each box in the questionnaire by totalling all the monies involved in that category and then by dividing by the head count for that line of the questionnaire. Reasonable estimates of the year's earnings should be reported or last year's actual earnings with any estimated increment. Please specify the method used in the "comments" section at the bottom of each questionnaire.

For the departments specified above, include only 12 month salaries for full-time paid faculty utilizing September 1 budget figures whenever possible. Include the full salary of faculty on sabbatical leave. Exclude those faculty at affiliated institutions, full salary for vacant positions, house staff and fellows in all ranks and part-time and volunteer faculty.

Attached is a list of the subspecialties to be included within three departments (General Medicine, Pediatrics and Surgery). If you have any questions, please phone R.D. Menhenett at (415):642-1454.

SURGERY

GENERAL SURGERY
THORACIC
CARDIO-VASCULAR
E.N.T.
UROLOGY
NEUROSURGERY
ORTHOPEDICS
PLASTIC

MEDICINE

GENERAL
CARDIOLOGY
ENDOCRINOLOGY
GASTROENTEROLOGY
HEMATOLOGY
HEPATOLOGY
INFECTIOUS DISEASE
NEPHROLOGY
RHEUMATOLOGY
PULMONARY

PEDIATRICS

ALL, INCLUDING PEDIATRIC CARDIOLOGY

CAMPUS ______________

____
DATE THE REPORT WAS PREPARED

UNIVERSITY OF CALIFORNIA
MEDICAL SCHOOL FACULTY SALARY SURVEY

DEPARTMENT ________________________ EFFECTIVE DATE ______________

RANK		COMPENSATION		
Rank	Headcount	Base Salary or Guaranteed Component (Average)*	Uniform Compensation Plan Component (Average)*	Grand Total Compensation (Average)*
Professor				
Associate Professor				
Assistant Professor				
Instructor				

*Average salary for each of the three compensation columns should be computed by dividing the total dollars by the headcount for each rank.

Comments or qualifications: ______________________

APPENDIX B

Brief Descriptions of the Medical Compensation Plans at the Eight Comparison Medical Schools

1) Stanford University

Stanford has a new practice plan that is currently being written and is not yet available.

2) State University of New York - Upstate Medical School

Overall management of the practice plan is vested in a governing board consisting essentially of the President, the Dean of the Medical School and the medical school department chairmen. The departments have considerable autonomy, and keep the accounts and do the billing. The State is paid for overhead costs, and the Medical School levies a surcharge on gross practice plan income for its own use. (A Type "B" or Type "C" Plan)

3) University of Chicago

General guidelines are issued to the departments by the Dean's office. Within those guidelines, individual practice plans are negotiated on a departmental basis. The medical school is experimenting with a surcharge, and with various kinds of non-salary incentives. Currently, however, the individual departments have a good deal of autonomy. (A Type "C" Plan)

4. University of Illinois

No formal practice plan exists. The medical school provides centralized billing facilities. Beyond that, what happens is the result of individual negotiation between the individual faculty member, his department and the Dean's office.

5. University of Michigan

The plan is centralized, with a formal central business office run by a full-time Director who reports directly to the Dean of the Medical School. The central business office establishes policy, does billing and handles disbursements. The individual departments have comparatively little autonomy. The plan was phased in gradually over the five-year period from 1973 to 1978. (A Type "A" Plan)

6) University of Texas at Houston

The plan is controlled by a Board of Directors consisting of the President, V.P. for Business Affairs and the department chairmen. The plan provides for central billing and disbursement of funds; however, individual faculty salaries are set through individual negotiation between a faculty member and his department chairman. The departments have considerable autonomy. (A Type "B" or Type "C" Plan)

7) University of Wisconsin

Although a written plan exists, its net effect is to vest authority in the individual departments. Each department creates in effect its own individual practice plan and does pretty much as it pleases, subject to certain maximum salary constraints written into the central plan. (A Type "B" or Type "C" Plan)

8) Yale University

The practice plan consists of a series of brief salary guidelines published by the Dean which set up a framework for salary payment and establish the permissible salary ranges within which an individual faculty member may be paid. Each department develops its own practice plan, in negotiation with the Dean's office. Individual salaries are recommended by the department chairman and approved by the Dean. (A Type "C" Plan)

APPENDIX J

Administration Positions Surveyed by the College and University Personnel Association (CUPA)

APPENDIX J

Administration Positions Surveyed by the College and University Personnel Association (CUPA)

1. Chief Executive Officer, System
2. Chief Executive Officer, Single Institution
3. Executive Vice President
4. Chief Academic Officer
5. Chief Business Officer
6. Chief Student Affairs Officer
7. Chief Development Officer
8. Chief Public Relations Officer
9. Chief Planning Officer
10. Director, Personnel/Human Resources
11. Chief Health Professions Officer
12. Chief Budgeting Officer
13. Director, Legal Services
14. Registrar
15. Director, Church Relations
16. Director, Learning Resources Center
17. Director, Library Services
18. Director, Computer Services
19. Director, Educational Media Services
20. Director, Institutional Research
21. Director, Special and Deferred Gifts
22. Administrator, Grants and Contracts
23. Director, Affirmative Action/Equal Employment
24. Director, Employee Training
25. Comptroller
26. Director, Internal Audit
27. Bursar
28. Director, Food Services
29. Director, Physical Plant
30. Director, Purchasing
31. Director, Bookstore
32. Director, Campus Security
33. Director, Information Systems
34. Director, News Bureau
35. Director, Auxiliary Services
36. Director, Admissions
37. Director, Foreign Students
38. Director, International Studies Education
39. Director, Student Financial Aid
40. Director, Student Placement
41. Director, Student Counseling
42. Director, Student Union
43. Director, Student Health Services
44. Director, Student Housing

45. Director, Athletics
46. Director, Campus Recreation/Intramurals
47. Director, Alumni Affairs
48. Director, Information Office
49. Director, Community Services
50. Administrator, Hospital Medical Center
51. Chief Planning and Budget Officer
52. Chief Development and Public Relations Officer
53. Director, Personnel and Affirmative Action
54. Director, Admissions and Financial Aid
55. Director, Housing and Food Services
56. Director, Development and Alumni Affairs
57. Dean, Architecture
58. Dean, Agriculture
59. Dean, Arts and Letters
60. Dean, Arts and Sciences
61. Dean, Business
62. Dean, Communications
63. Dean, Continuing Education
64. Dean, Dentistry
65. Dean, Education
66. Dean, Engineering
67. Dean, Experimental Programs
68. Dean, Extension
69. Dean, Fine Arts
70. Dean, Graduate Programs
71. Dean, Health Related Professions
72. Dean, Home Economics
73. Dean, Humanities
74. Dean, Instruction
75. Dean, Law
76. Dean, Library and Information Sciences
77. Dean, Mathematics
78. Dean, Medicine
79. Dean, Music
80. Dean, Nursing
81. Dean, Occupation Studies/Vocational Education/Technology
82. Dean, Pharmacy
83. Dean, Public Health
84. Dean, Sciences
85. Dean, Social Sciences
86. Dean, Social Work
87. Dean, Special Programs
88. Dean, Undergraduate Programs
89. Dean, Veterinary Medicine

APPENDIX K

College and University Personnel Association
Position Descriptions Used in the Present Report

1. CHIEF EXECUTIVE OFFICER OF A SYSTEM/DISTRICT/MULTI-CAMPUS OPERATION (PRESIDENT/CHANCELLOR): The principal administrative official responsible for the direction of all operations of an institution or a system of higher education, who reports to a governing board.

2. CHIEF EXECUTIVE OFFICER OF A SINGLE INSTITUTION (PRESIDENT/CHANCELLOR): The principal administrative official responsible for the direction of all operations of a campus or an institution of higher education. Reports to a President/Chancellor of a university-wide system or multicollege district.

3. CHIEF ACADEMIC OFFICER: The senior administrative official responsible for the direction of the academic program of the institution. Functions typically include teaching, research, extension, admissions, registrar and library activities. Reports to the Chief Executive Officer.

4. CHIEF BUSINESS OFFICER: The senior administrative official responsible for the direction of business and financial affairs. Functions supervised typically include purchasing, physical plant management, property management, auxiliary enterprises, personnel services, investments, accounting and related matters.

5. DIRECTOR, PERSONNEL/HUMAN RESOURCES: Administers institutional personnel policies and practices for staff and/or faculty. Functions typically include personnel records, benefits, staff employment, wage and salary administration and, where applicable, labor relations.

6. CHIEF BUDGET OFFICER: The senior administrative official with the responsibility for current budgetary operations. May also include responsibility for long-range planning unless there is a separate planning officer.

7. DIRECTOR, LIBRARY SERVICES: Directs the activities of all institutional libraries. Functions typically include selection and direction of professional staff, acquisitions, technical services, audio-visual services and special collections.

8. DIRECTOR, COMPUTER CENTER: Directs the institutions major administrative computing activities. Functions typically include computer programming, systems studies and computer operations.

9 DIRECTOR, INSTITUTIONAL RESEARCH: The administrative staff official responsible for the conduct of research and studies on the institution itself. Functions performed or supervised typically include data collection, analysis, reporting, and related staff work in support of decision making.

10. DIRECTOR, PHYSICAL PLANT: The senior administrative official responsible for the construction, rehabilitation and maintenance of physical facilities. Functions typically include supervision of new construction and remodeling, grounds and building maintenance, power plant operation and parking.

11. DIRECTOR, CAMPUS SECURITY: Manages campus police and patrol units; directs campus vehicle traffic and parking; organizes security programs and training as needed.

12. DIRECTOR, INFORMATION SYSTEMS: The senior official who directs the development, implementation and maintenance of institutional management information systems. Functions typically include responsibility for developing systems requirements, systems analysis, programming, applications, and coordination with user areas. May also include responsibility for direction of the administrative computer operations.

13. DIRECTOR, STUDENT FINANCIAL AID: Directs the administration of all forms of student aid. Functions typically include assistance in the application for loans or scholarships; administration of private, state or federal loan programs; awarding of scholarships and fellowships; and maintenance of appropriate records.

14. DIRECTOR, ATHLETICS: Directs intramural and intercollegiate athletic programs. Functions typically include scheduling and contracting for athletic events, employment and direction of athletic coaches, publicity, ticket sales, and equipment and facilities maintenance.

15. DEAN or Equivalent Administrative Title (e.g. directors of academic divisions in community colleges): Serves as the principal administrator of the instructional division indicated (i.e., Architecture, Agriculture, Nursing, etc.).

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